

APPENDIX I

The goal of US reconstruction assistance to Iraq is to help develop a democratic, stable, and prosperous Iraq, at peace with itself and its neighbors, enjoying the benefits of a free society and a market economy. In support of this objective, Congress appropriated \$18.4 billion in November of 2003 (Public Law 108-106) for the Iraq Relief and Reconstruction Fund (IRRF). Section 2207 of PL108-106 requires the Secretary of State to submit a quarterly report to Congress outlining the programs and initiatives supported by the appropriation. This report details spending for the July-September, 2005 period, and previews expectations for the October-December quarter. This report breaks IRRF spending into ten sectors (Security and Law Enforcement; Justice, Public Safety Infrastructure, and Civil Society; Electricity; Oil Infrastructure; Water and Sanitation; Transportation and Telecommunications; Roads, Bridges and Construction; Health Care; Private Sector Development; and Education, Refugees, Human Rights and Governance.) This report complements reports to Congress from other agencies.

SECTOR: Security and Law Enforcement

Summary:

Increasingly, Iraqi Security Forces (ISF) are taking the lead in combat operations. Since the last report the Ministry of Defence (MoD) and the Ministry of Interior (MoI) have manned, trained, and equipped additional forces and units. Collectively more than 36 battalions are taking the lead and are capable of planning and executing missions with little or no support from Coalition forces. This represents a 50% increase since July. More than 190,000 military and police personnel are now trained and equipped. Included in that force are over 115 Iraqi police and military combat battalions, all of which are now in the fight against the insurgency. More than three dozen of those units are conducting independent operations with limited coalition support, frequently logistical support. Generation of Iraqi logistics capabilities and combat enablers is improving the ISF's capabilities to operate completely independently of Coalition Forces.

During this past quarter, the Ministry of Defence (MoD), in coordination with the Coalition, generated three combat battalions, which are already conducting operations with the Coalition in the counter-insurgency. MoD began training three additional combat infantry battalions, which should be ready for operations next quarter, when they will partner with U.S. forces on their way towards independent operations capability. In order to increase the protection of Iraq's strategic infrastructure, the MoD also began training and equipping four Strategic Infrastructure Battalions (SIBs), which are to protect electricity lines and oil pipelines from insurgent attack along four critical energy corridors. The first four SIBs will be operational in October and deployed along the oil pipelines between Kirkuk and Baiji. The total number of SIBs to be generated to protect Iraq's critical infrastructure is still not decided.

The MoD is increasingly focused on developing combat enablers and logistics support units, which are crucial to the ultimate success and independence of Iraqi military forces. The MoD began forming its 4th Motorized Transport Regiment (MTR) this quarter and trained an additional 2,877 logistics soldiers, non-commissioned officers and officers. The MoD continued to take over more training functions from the Coalition. They took control of three Regional Training Centers during this quarter. These Iraqi-led schools and training centers will provide the means for the Iraqis to continue to improve their ability to provide logistical support and combat enablers to combat battalions.

While the force structure of the Ministry of Interior (MoI) has not changed significantly, there have been refinements in some forces. The Public Order Division fully fielded their 4th Brigade. Public Order Battalions underwent a significant change, increasing their size from a standard configuration of 450 to the new 750-man configuration in order to maintain a force capable of conducting operations on a full-time basis over an extended period (taking into account the need for soldiers to take leave, units to conduct training, and other normal non-combat activities). The Public Order Brigades are currently training and equipping the additional personnel needed to bring all four brigades (12 battalions) to this newly-authorized end strength. The MoI also continued to develop Ministry-level capability through the institution of monthly meetings of the Provincial Police Chiefs and monthly budget conferences. Both efforts are supported by the Police Partnership Program (P3) MoI teams. The MoI also increased its capabilities on the borders with the addition of 900 members of the Department of Border Enforcement (DBE).

While both Ministries have made substantial progress developing their security forces, the MoD and MoI continue to experience problems with their institutional capability to support fielded forces. For example both ministries regularly allow life support contracts for such things as waste removal, waste water disposal and maintenance to expire without renewal, severely impacting fielded forces' ability to conduct operations. The Multi-National Security Transition Command-Iraq (MNSTC-I) and the Iraqi Reconstruction Management Office (IRMO) are working to synchronize advisory efforts in both Ministries to ensure key functions continue to develop. MNSTC-I developed and implemented a monthly readiness report for the MoD and MoI. The report focuses on the progress made in critical force management areas (e.g., personnel, programming and budgeting, finance and logistics). These monthly assessments will provide direction for the combined advisory efforts of MNSTC-I and IRMO to ensure the Ministries further improve their institutional capabilities.

Ministry of Interior Forces Overview

During this quarter MoI improved its capacity to protect Iraq's borders and train its forces and its ability to collect data and issue ID cards. MoI forces consist of the Iraqi Police Service, Special Police (Police Commandos, Public Order Police, Mechanized Police), the Department of Border Enforcement, the Emergency Response Unit, the Highway Patrol and Dignitary Protection.

Border Guards: The MoI has increased its capabilities on the borders with the addition of 900 members of the Department of Border Enforcement (DBE). Total trained and equipped strength of the DBE is over 17,000. DBE units continue their cycle of training and deployment to the Syrian border and work closely with both the Coalition and the Ministry of Defence to create a layered security effort to protect the borders of Iraq.

Iraqi Police Service: During this quarter, 8,923 recruits completed the basic Academy program and 516 recruits graduated from the three-week Transition Integration Program (TIP). As of September first, 44,247 recruits have been trained in basic Academy programs and 36,318 have been trained under the TIP. The mission continues to focus on the development of Iraqi Police instructors to facilitate the ultimate turnover of the training mission to the Iraqi Police Service. The MoI continues to emphasize sending serving police officers (who have not previously completed the MNSTC-I Coalition Police Assistance Training Program (CPATT)) to the ten-week basic class. Only limited numbers of new police candidates are recruited (and only with prior approval by the MoI) for service in areas where police forces are being reconstituted.

The Sustainment and Integration training programs continued. This two-week Integration training program is now added to the eight-week Basic Academy program and emphasizes combat survival and police skills, while building teamwork and unit cohesiveness. The program includes station Defense, survival skills and additional weapons training. This has increased the Basic Academy program to ten weeks. The Jordan International Police Training Center (JIPTC) uses the same curriculum, but uses longer training periods to complete training in eight weeks.

Special Police: Special Police are a high-end, elite paramilitary police force tasked with providing a national, rapid-response police capability to counter armed insurgency, large scale disobedience and riots. The Special Police includes three separate organizations, the Special Police Commandos; the Mechanized Police; and the Public Order Police. Special Police units continue to develop their capabilities. The fifth training iteration of the Public Order course was completed (trained, equipped, and deployed) in August. These 1,163 policemen reinforced the four existing Public Order Brigades as they increased authorized battalion strengths from 450 to 750 policemen. The sixth training iteration has started training and will graduate 1,200 Public Order policemen in October. The 1st Special Police Mechanized Brigade (formerly the 8th Mechanized Police Brigade) continues to field its Armored Security Vehicle fleet, focusing on operations and maintenance.

Special Police units continue to conduct counter-insurgency (COIN) operations in Baghdad, Falluja, Samarra, Mosul, and Salman Pak. In addition, two battalions of the mechanized police brigade are currently conducting operations in Baghdad, helping to secure the route from the International Zone to Baghdad International Airport. A Public Order Battalion was deployed during this quarter to Mahmudiya to secure the area south of Baghdad.

Thirty Special Police Transition Teams (SPTT), a combination of military forces and civilian police, have deployed to assist their counterpart Iraqi Special Police units. A recent assessment of SPTT missions identified an immediate need for medical support for each team. Six medics were immediately sourced internally by MNSTC-I and a request for an additional 24 has been made. The teams focus on mentoring and training the Iraqi staffs at battalion, brigade and division. They simultaneously provide access to Coalition capabilities. They also facilitate planning and coordination between Iraqi and Coalition units at the operational and tactical levels. To date, the SPTTs have established working sites at their respective bases and developed positive working relationships with both the local Coalition unit and their counterpart Iraqi Special Police unit. Over 300 independent, coordinated operations are conducted each month. Combined operations with Coalition forces were conducted in August in Multi-National Division-Baghdad (MND-B) and Multi-National Division-Northwest (MND-NW).

The Emergency Response Unit (ERU): The ERU is a highly trained hostage rescue unit, now has almost 300 operators. Over the last quarter, the ERU has conducted successful operations almost every night in Baghdad and Mosul. Having significantly reduced the number of insurgents operating in Mosul, the ERU element there recently re-deployed to Baghdad to prepare to support the constitutional referendum and the national election.

Biometric Data Collection: The MoI Qualifying Committee (MOIQC) continued its biometric data collection efforts that will assist in proper vetting of MoI employees and support the separation of unqualified Iraqi Police Officers. To date, the MOIQC has collected approximately 150,000 personnel profiles and is expected to complete collection in 15 of the 18 provinces during the fourth quarter. Profiles collected by the Qualifying Committee will eventually be linked to human resources and pay. Those police in the Baghdad Province who did not report to

have their data collected should cease to be paid beginning with the September pay cycle. Efforts to identify officers for separation are currently underway.

MOIQC data collection efforts in the Al Anbar and Ninawa Provinces are currently underway, with collection teams deployed to Al Waleed, Mosul, and Tel Afar. Initial negotiations with the three Kurdish provinces to allow data collection have taken place and coordination visits to these areas are planned for MOIQC members.

ID Cards: Production of a new Iraqi Police Service (IPS) identification card began in early March and over 74,500 cards have been produced to date. Another 20,000 are in the production/shipping stage. The ID cards are produced as a result of vetting by the MOIQC. The card verifies the holder has been screened and therefore has been checked against existing Iraqi criminal databases. The intent is that card holders are credible and free from criminal associations. The cards are vital if public confidence in the IPS as a legitimate force is to grow. The old cards were issued by Provincial Chiefs of Police and were not subject to any checks at the National Level. These new cards are on a National Database providing greater scrutiny and accountability. Total costs to date are \$254,228. Additionally, the execution of a follow-on contract for the outsourcing of another 40,000 cards is scheduled during September. Any remaining cards will be printed locally at the Adnan Palace facility. Distribution of identification cards to MoI personnel is underway at this time.

Fingerprint Identification System: The arrival of the long anticipated Automated Fingerprint Identification System (AFIS) is scheduled for late September, but some slippage in this schedule is expected due to labor issues at vendor facilities in the U.S. Once installed at the Adnan Palace campus, the AFIS will be operated by Ministry of Interior (MoI) personnel. It is anticipated that remote access from sites throughout Iraq will be available once V-Sat (satellite) hook-ups are installed. This system will act as a repository for all biometric data currently being collected by the MOIQC. This will allow the MoI to vet applicants against criminal fingerprint cards (304,000 historical cards have been scanned and will be in the AFIS), allow vetting of applicants against numerous coalition sources of fingerprint data, and eliminate police prints from prints found at crime scenes. The AFIS will also act as a repository and searchable database for latent fingerprints found at criminal or insurgent/terrorist incident sites. The AFIS, biometric collection systems, manual fingerprint cards, and VSAT network will automate the process of identifying and conducting background checks on persons arrested by ISF. This has the ability to greatly speed up the process, from days to hours.

Ministerial Capacity: MoI also continued to develop its ministerial capacity through the institution of monthly meetings of Provincial Police Chiefs and monthly budget conferences. Both efforts are supported by the Police Partnership Program (P3) MoI teams, which work closely with the Ministry to develop institutional processes to sustain the Ministry's forces.

Ministry of Defence Forces Overview

Ministry of Defence (MOD) forces include the Iraqi Army, Iraqi Special Operations Forces (ISOF), Strategic Infrastructure Battalions (SIBs), the Navy, Marines, and an Air Force. Since the last report, partnership with Coalition units has progressed significantly, for the Iraqi Army (the Iraqi Regular Army, Intervention Forces and National Guard (ING)) now have a standard table of organization and equipment and are known collectively as the Iraqi Army (IA). Through this ongoing transition initiative, all Iraqi divisions will continue to evolve in capability

as relationships between Iraqi and Coalition forces are strengthened. Almost 90 combat battalions of the IA are conducting aggressive Counter-Insurgency (COIN) operations. Many of those operations are independent except for logistical support provided by the Coalition. The developing Iraqi logistical system is changing this calculus.

The MoD continues to generate additional military forces. The 7th Division (comprised of approximately 7,583 personnel) is projected to be trained by early 2006. The 1st Brigade of the 9th Division (Mechanized) is now fully operational, with two mechanized battalions and one tank battalion engaged in the COIN fight with Coalition partners. The Division Headquarters is now forming, as is the 2nd Brigade. This Brigade will be Armor-heavy, with two tank battalions (T-72) and one mechanized battalion. The mechanized battalion is already formed, has completed basic training and is undergoing collective training now. The two tank battalions (awaiting arrival of Hungarian-donated T-72 tanks) and the Brigade Headquarters will begin forming in the first week of September.

Infrastructure Security: Iraqi and Coalition planners have received approval to generate four Strategic Infrastructure Battalions (SIBs), whose mission will be to protect Iraq's critical linear infrastructure. The SIBs will initially focus on the domestic and export oil pipelines and associated production facilities. Electrical transmission lines and nodes will eventually be added to the MoD mission. During this quarter, MNSTC-I initiated a train-the-trainer program that focused on developing the Iraqi capability to train these units. Iraqi SIB instructors follow that training by returning to their respective units to present the SIB program of instruction to their fellow soldiers. MNSTC-I is also providing mission-essential equipment to the SIBs, such as AK-47s, vehicles, Individual Body Armor (IBA), helmets and uniforms. By mid-October, MNSTC-I anticipates that the Iraqi Army will have four operational SIBs that will be fully manned and ready to conduct security operations along 300 kms of oil pipeline.

Iraqi Base Transfers: A significant element in the Coalition transition effort has been the turnover of Iraqi bases to Iraqi control. On March 17 Umm Qasr was the first Base Support Units (BSU) transitioned to the Ministry of Defence. It was followed by Al Na'maniya on May 5, Tallil/Ur on July 1, Kirkush on July 13 and Ar Rustamiyah on July 14. The Coalition continues to monitor the performance of life support assumed by the Iraqis and will continue to transition BSUs at a sustainable pace throughout the next quarter.

Logistics Support: The MoD is increasingly focused on developing combat enablers and logistics support units, which are crucial to the ultimate success and independence of Iraqi military forces. The MoD began forming its 4th Motorized Transport Regiment (MTR) this quarter and trained an additional 2,877 logistics soldiers, non-commissioned officers and officers. These personnel will be assigned to Headquarters and Service Companies (HSCs) within combat battalions in order to improve the ability of these battalions to sustain themselves.

Two Iraqi MTRs are conducting logistical support missions and providing an effective capability as they move personnel and materiel in support of the Coalition Corps Support Command (COSCOM). The third MTR will be operational in October and this will further reduce the transportation burden on coalition assets. By December, it is expected that the fourth MTR will be manned and equipped to a level that it can commence COSCOM-sponsored collective training.

Communications: Phase one of the Defense Private Network (DPN) is complete and provides cellular service to Baghdad and 12 Iraqi Armed Forces (IAF) bases. The phase two contract has

been awarded and will expand this service to four additional bases. The expansion will provide voice service to all Army divisions; current Air Force squadrons; the Army, Navy, and Air Force headquarters; and the Ministry of Defence. The system is a key building block for the Iraqi Defense Network (IDN), which will provide a protected data capability. These initiatives are expected to provide a robust strategic network, with voice and data capability, as well as much-needed interoperability with Coalition forces. In addition, secure tactical radios have been provided to the Ministry of Defence Joint Operations Center, the Iraqi Ground Forces Command, Navy Headquarters and each of the IA Divisions. These radios are providing secure voice and text data capability for key Command and Control operations. An effort to expand these radios to the other service headquarters and down to the brigade level is underway.

Engineer Training: The 1st Engineer Training Regiment formed in Taji in February. Eighty-five officers and soldiers attended two months of engineer training sponsored by Germany in the United Arab Emirates (UAE). The Regiment is now training 142-soldier field engineer companies. Six Division Engineer Companies have completed initial training and three more are scheduled for initial training in September. Advanced training for all Engineer Companies will begin in January 2006. Also led by the Regiment, the Bomb Disposal Training School is now fully operational. Three Division Bomb Disposal Companies have completed training and seven more are scheduled for training.

Logistics Training: As manning and equipping of the Iraqi Army continues to mature, so does their logistical sustainment capability. Training for supervisors in HSCs has started at Taji. The Iraqi Army Service and Supply Institute is training officers and NCOs from all ten Iraqi Army Divisions and the MTRs in the specialty skills related to transportation, supply, and maintenance. BSUs and SIBs will soon start receiving the same training.

Leadership Training: During this quarter, the Iraqi Army inducted 97 cadet graduates from the Zakho Military Academy and 107 cadet graduates from the Qualachulon Military Academy. Primary leadership development for non-commissioned officers in the Iraqi Army has begun at three locations. The Squad Leader and Platoon Sergeant Courses teach basic Sergeant and Leadership skills to new and existing Iraqi Sergeants.

Basic Training: Basic training requirements for the growing Iraqi military require expansion of the Iraqi Training Battalion (ITB) into two geographic locations, enabling Iraqi forces to expand properly. This expansion will continue in the months ahead toward an end state of three ITBs that will focus on Basic Combat Training (BCT), infantry training and Senior NCO training.

Navy and Naval Infantry Operations: The Iraqi Navy and the Naval Infantry Regiment, in coordination with Coalition maritime forces, continues to conduct operations to provide offshore oil platform security and anti-smuggler, anti-terrorist and anti-piracy operations within Iraqi territorial waters. All five patrol boats and one Iraqi Naval Infantry company have completed operational assessments and have been validated for operations. As the Iraqi Navy continues to mature at both the operational and strategic levels, its ability to conduct planned operations with coalition partners and assume greater responsibility is suffering as a consequence of the MoD's inability to acquire agreed capabilities and provide sufficient levels of logistics support. A lack of MoD funding/contracting for fuel and an ongoing MoD inability to provide sufficient spare parts and maintenance resulted in most operational missions being cancelled in the early part of August and a number of cancelled missions since. MNSTC-I and IRMO continue to pressure the MoD to resolve this critical issue.

Key command positions in the Navy are being filled and the Iraqi Naval Infantry are now at full strength. A training program is in progress to validate the Iraqi Marines in providing point defense operations for the oil platforms. The transition of responsibility for point defense is in progress and could take place before the end of the year. An ambitious acquisition program is just starting and includes Iraqi-built ships of the Al Faw class. Two of the new Al Faw class patrol boats have been delivered to Umm Qasr and should be prepared to conduct operations next quarter.

LAW ENFORCEMENT

Police Training and Technical Assistance

Project Code: 10000

IRRF activities in this sector focus on training police officers and the construction of police stations. They also include supplying advanced communications equipment, including setting up an Advance First Responders Network (AFRN), similar to 911, which will dramatically improve the ability of security and law enforcement officers to coordinate their response to problems (see also project 25000 under the Justice sector on page 30).

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	1,040	768	-	-	-	-	1,808	1,636	1,029
Change from July	-	-	-	-	-	-	-	+55	+228
October 2005	1,040	768	-	-	-	-	1,808	1,691	1,257

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense, Department of State, with some funds transferred to Department of Justice.

Changes from the July Report: This report maintains the \$1,808 million allocated to police training and technical assistance.

Accomplishments since the July Report:

- Began construction on five Public Order Battalion base locations.
- Provided advanced and specialized training to veteran and senior police officers of the Iraqi Police Service.
- Opened the National Iraqi Highway Patrol Headquarters in Baghdad. (\$1 million)
- Opened the Mosul Public Safety Academy.
- Trained and fielded 180 Criminal Intelligence Officers and Sergeants to the cities of Mosul, Falluja, and Samarra.

- Completed Information Technology (IT) Installation between Province Police Headquarters and Province Joint Communications Centers in over 50% of the provinces.
- Increased Facilities Protection Services academy enrollment from 250 to 500 per training cycle.
- Graduated 100 Emergency Response Unit operators from the advanced training course.
- Graduated 1,163 Public Order Battalion cadets from Al Na'maniya Training Base.
- Completed Baladiat renovation in Baghdad, the home base for the 3rd Public Order Brigade. (\$1 million).
- Completed Al Salhiya Police Station & Karkh Juvenile Station. (\$0.3 million)
- Completed helipad and minor construction for 1st Special Police Mechanized Brigade headquarters facility which is co-located with the Special Police Forces Training Academy. This is the site the 1st Special Police Mechanized Brigade (formerly the 8th Mechanized Police Brigade) is using while their permanent facilities in Taji are being completed. (\$1 million).
- Continued to rotate cadets in and out of Jordan International Police Training Center (JIPTC). (\$1.2 million)
- Awarded contract to maintain P.25 radio network currently being used for command and control (C2) by Baghdad IPS. The network supports the Iraqi Police Service and Senior Government Executive protection services. The maintenance contract covers scheduled maintenance to be performed plus a set amount of emergency repairs. (\$1.4 million)
- Awarded contract for Tetra Handheld radios supporting the AFRN to provide an integrated first responder network for the police, fire department and emergency medical services. (\$8.2 million)
- Completed the Al Bayaa Police Station Force Protection project in Baghdad. (\$0.5 million)

Accomplishments anticipated in the next quarter:

- Convert the Iraqi Highway Patrol Academy facilities in Taji from temporary structures to permanent structures.
- Complete IT Installation between Province Police Headquarters and Province Joint Communications Centers to over 75% of the provinces.
- Establish Tables of Distribution and Allowance for Iraqi Police Service stations with 250, 400 and 600 personnel.
- Complete five new Iraqi Highway Patrol stations in the South and control the main supply route (MSR) in the southern regions. Currently, the MSR is controlled by the coalition forces south of Baghdad.

- Offer specialized advanced leadership training and mentoring to the police commanders and their key staff at selected cities giving priority to cities that are in greater need.
- Increase the number of Iraqi police instructors by approximately 34% within selected basic training programs.
- Begin the six- and nine-month programs for the Police Officers Course at the Baghdad Police College. This program will initially be open to existing police personnel only. Next year, the program will extend to its full three-year length and will admit new recruits.
- Continue specialized training for the Iraqi Police Service at Adnan Palace and the Irbil Police College.
- Enroll and graduate 2,400 Public Order Battalion cadets from Al Na'maniya Training Base.
- Complete permanent base for 1st Special Police Mechanized Brigade at Taji. (\$44 million)
- Complete the Headquarters for the River Police Station, Baghdad. (\$1 million)

Border Enforcement

Project Code: 11000

Programs under this sector include building new border forts and providing support for Iraqi border guards. Improved control over the borders will enhance Iraq's overall security.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	260	177		-	-	-	437	345	151
Change from July	-	-		-	-	-	-	+37	+107
October 2005	260	177		-	-	-	437	382	258

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense and PCO.

Changes from the July Report: This report maintains the \$437 million allocated to border enforcement.

Accomplishments since the July Report:

- Strengthened Iraqi border forces in Ninawa and Al Anbar on the Syrian Border. Increased the Department of Border Enforcement (DBE) forces in the Anbar Province by 200 officers. In the Ninawa Province, DBE forces deployed 854 graduates from the training academy.
- Completed construction/refurbishment of 136 border forts. (\$59.7 million)
- Completed construction at four of six Ports of Entry (POEs). (\$9.2 million)

- Contract awarded for 93 4x4 trucks. (\$3.4 million)
- Partially completed construction at Kirkush (75%), Sulaymaniyah (98%), Basrah (92%), and Al Kut (95%) DBE academies. (\$83.8 million)
- Funded a work change request to complete the Basrah Academy by providing entry control point at the complex main entrance. (\$.2 million)
- Funded a work change request for western border forts. (\$6 million)
- Began renovation of National DBE headquarters (HQ). (\$1 million)
- Provided additional funding to continue Border Support Teams (BSTs) at four critical POEs. (\$1 million)
- Increased our commitment to life support along the Syrian border. (\$2 million)

PCO

- Completed construction of three Points of Entry at Mutheria, Bashman, and Safwan. (~\$8 million)
- Completed construction of 76 border forts. (~\$22.8 million)

Accomplishments anticipated in the next quarter:

DOD

- Improve protection of the Syrian border through aggressive patrolling from newly recruited, trained and equipped border forces.
- Assist in the formation of a national Ports of Entry Directorate to improve control and provide technical advice on Customs, Immigration and Security procedures at the Ports of Entry.
- Expand training courses offered at DBE academies to include training in medical care, communications, customs and immigration and leadership.
- Transition certain life support activities to the MoI forces at Al Waleed.
- Improve accountability for vehicles, equipment and weapons, using improved procedures established by the Border Support Teams.
- Finish renovation of national DBE HQ. (\$0.5 million)
- Complete construction on the work change project at the Basrah Academy by providing entry control point at the complex main entrance. (\$.2 million)

- Complete construction at Kirkush, Sulaymaniyah, Basrah and Al Kut DBE academies. (~\$83.8 million)
- Complete Sayranban and Zurbatia Ports of Entry. (\$3.8 million)

PCO

- Complete construction of three Points of Entry at Rabea, Golle-Soran Ban, and Zubatia. (~\$5 million)
- Complete construction of 56 border forts. (~\$19.2 million)

Facilities Protection Service (FPS)

Project Code: 12000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	53	0		-	-	-	53	40	22
Change from July	-	-		-	-	-	-	+6	+6
October 2005	53	0		-	-	-	53	46	28

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the July Report: This report maintains the \$53 million allocated to facilities protection service (FPS).

Accomplishments since the July report:

- Increased FPS academy enrollment from 250 to 500 per training cycle.
- Delivered 65 Sport Utility Vehicles (SUVs) and 65 sedans to FPS. (\$2.2 million)

Accomplishments anticipated in the next quarter:

- Coordinate and establish a location for the FPS National Headquarters.
- Equip personnel performing protection for foreign diplomats.
- Establish Personal Security Detail (PSD) training at the Baghdad Police College.

NATIONAL SECURITY- IRAQI ARMED FORCES

Iraqi Armed Forces Facilities

Project Code: 20000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	602	129		-	-	-	731	692	544
Change from July	-	-		-	-	-	-	+16	+109
October 2005	602	129		-	-	-	731	708	653

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the July Report: This report maintains the \$731 million allocated to Iraqi Armed Forces facilities.

Accomplishments since the July Report:

- Closed final contract for Indoor Range, Shoot House, and Outdoor Flow-Through Shoot House for the Iraqi Special Operations Forces (ISOF). All ISOF construction projects completed this quarter were located in the vicinity of Baghdad. (\$4 million)
- Completed six (four Company, one Battalion, and one Brigade) headquarters buildings for the ISOF. (\$2 million)
- Completed renovation of 30 housing units at senior barracks of the ISOF. (\$.5 million)
- Renovated one dining facility and eight buildings for office and barracks facilities; repaired the sewage system for the ISOF. (\$.9 million)
- Completed temporary power grid for the Iraqi Special Forces Barracks and Headquarters Facilities for the ISOF. (\$1 million)
- Completed three motor pool and storage facilities, and the design and infrastructure for primary dining facility for the ISOF. (\$.7 million)
- Completed C-130 and helicopter base at West Baghdad International Air Port (BIAP), which will provide logistics and base support for 400 personnel. (\$35 million)
- Completed construction at Al Haswah, where the 1st Battalion, 4th Brigade, 1st Division, will station approximately 755 personnel. (\$22 million)
- Completed remaining six of eleven medical clinics (\$25 million total including major equipment installation). Each clinic will accommodate approximately one brigade (or 2,500 personnel).

- Completed Basrah and Kirkuk airfields (\$7 and \$4 million, respectively).
- Completed construction at Habbaniyah for 3rd Brigade, 1st Division. (\$25 million)
Approximately 2,500 personnel will be stationed here.

Accomplishments anticipated in the next quarter:

- Complete construction at Habbaniyah for 2nd Brigade, 1st Division, and also for 1st Division IA HQ, accommodating potentially 2,500 more soldiers in the Brigade and 225 for Division HQ. (\$40 million)
- Complete construction at Al Haswah for 2nd and 3rd Battalions and 4th Brigade, HQ 1st Division, accommodating potentially 1,700 soldiers. (\$48 million)
- Complete construction on three additional base support units located in Rustamiyah, Tallil and Habbaniyah.

**Iraqi Armed Forces Equipment
Project Code: 21000**

Projects under this sector provide Iraqi Armed Forces with arms, uniforms, and other essential equipment. This sector also provided equipment to the Strategic Infrastructure Battalions (SIBs), which will improve the protection of four critical energy infrastructure corridors against insurgent attacks.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	606	23		-	-	-	629	563	346
Change from July	-	-		-	-	-	-	+7	+95
October 2005	606	23		-	-	-	629	570	441

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the July Report: This report maintains the \$629 million allocated to Iraqi Armed Forces equipment.

Accomplishments since the July Report:

- Received, accounted for and distributed equipment in accordance with the Modified Table of Organization and Equipment (MTOE), as well as Organizational Clothing and Individual Equipment (OCIE) listing for the ISOF. (\$12 million)
- Received and distributed weapons, ammunition, and night vision devices purchased via Foreign Military Sales to the ISOF. Also received several tons of OCIE, rolling stock, and ammunition from the National Depot in Taji. (\$17 million)

- Began initial equipping of SIBs to protect critical oil infrastructure in one of four priority energy corridors. To date, four SIBs have been formed and are currently training at Kirkuk.
- Began initial equipping of the HSCs, one per infantry battalion.
- Began initial equipping of the 4th MTR. Currently the 4th MTR is at 5% equipped across all lines of equipment.
- Continued development of the Engineer, Military Intelligence, and Military Police schools.
- Delivered approximately 25,000 UHF and HF radios to ensure and increase command and control within the Iraqi military and police forces.
- Delivered robust wireless data connectivity to five IAF bases (Taji, Al Kasik, Kirkush, Ramadi, Al Kindi).
- Installed Iraqi Secure Governmental Network (ISGN) equipment in multiple Joint Coordination Centers (JCCs), Provincial JCCs (PJCCs), and police/commando stations.
- Delivered 1,966 trucks (medium and large); 18,249 total weapons (AK-47, 9mm, PKM, RPGs); and 107,160 total uniforms, boots, and helmets.

Accomplishments anticipated in the next quarter:

- Complete training of first for SIBs, and develop plans to train more SIBs as necessary.
- Finalize receipt of all initial equipment purchases and continue updating and transitioning property accountability and control to the ISOF Brigade, Support Battalion.
- Complete forming of the 4th Motorized Transportation Regiment to be based at Kirkuk.
- Complete development of the Signal School at Taji.
- Deliver another 35,000 radios and 2,500 computers to key Iraqi Army and Police force locations across the country, achieving an 85% completion level.
- Deliver 983 medium and large trucks, 12,044 weapons (AK-47, 9mm, PKM, RPGs), 70,725 uniforms and 200 tents.
- Initiate outfitting of 7th and 9th Divisions.

Iraqi Armed Forces Training and Operations
Project Code: 22000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	394	35		-	-	-	429	348	302
Change from July	-	-		-	-	-	-	+32	+33
October 2005	394	35		-	-	-	429	380	335

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the July Report: This report maintains the \$429 million allocated to Iraqi Armed Forces training and operations.

Accomplishments since the July Report:

- Graduated 92 soldiers from the 12-week Iraqi Special Operations Operator Training Course and integrated them into the ISOF Brigade. (\$1 million)
- Completed two four-week Iraqi Special Operations Commando training courses, and graduated 157 soldiers from the two courses.
- Held one selection and assessment course and graduated 337 soldiers for the ISOF Brigade.
- Held two Medical Courses graduating ten soldiers, and trained 40 Iraqi soldiers within the ISOF Brigade in the Combat Life Saver program.
- Graduated 26 ISOF Brigade officers from the Iraqi Staff Officers Course.
- Deployed ISOF Brigade units twice to Al Asad in support of Marine forces and twice to Mosul in support of Coalition forces; throughout the quarter, conducted 55 additional successful combat operations.
- Awarded six-month life support contract for the ISOF and new Al Muthanna Air Base. (\$16.7 million)
- Completed set up of temporary housing units, including shower and latrine facilities, for the Iraqi Special Forces Support Battalion and Brigade Headquarters. (\$.7 million)
- Formed the 3rd MTR and conducted COSCOM training in preparation for operational status.
- Completed training curriculum for two Officer Candidate Schools, one Engineering School, and two Non-Commissioned Officer Academies.
- Assigned Iraqi and Coalition faculty to instruct first Iraqi Signal School classes.

- Conducted radio training courses supporting over 150 Iraqi students and their Military Transition Team (MiTT) advisors from all 10 divisions.

Accomplishments anticipated in the next quarter:

- Complete and graduate close to 100 soldiers from the 12-week Iraqi Special Operations Operator Training Course
- Transition life support funding for four more bases to Iraqi government.
- Commence operational missions by the 3rd MTR.
- Deploy Military Transition Team (MiTT) in preparation for generation of 5th MTR.
- Train additional 2,800 logistics personnel.
- Graduate first two classes of Signal officers and Non-commissioned officers (NCOs).
- Disperse radio teams around the country to train Iraqi military and police forces. Anticipate training 200-plus students on tactical multi-band and commercial ultra-high frequency (UHF) and high frequency radio systems.

Iraqi National Guard Operations and Personnel

Project Code: 23000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	159	66		-	-	-	225	203	138
Change from July	-	-		-	-	-	-	+13	+27
October 2005	159	66		-	-	-	225	216	165

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the July Report: This report maintains the \$225 million allocated to Iraqi National Guard operations and personnel.

Accomplishments since the July Report:

- Transitioned life support responsibilities to the Ministry of Defence, Ministry of Interior and Iraqi Transitional Government (ITG) budget for Base Support Units at Tallil/Ur on July 13, Kirkush on July 14 and Ar Rustamiyah on July 14.

Accomplishments anticipated in the next quarter:

- Transition life support funding for three additional Base Support Units to the MoD: Al Kasik and Habbaniyah in November and BIAP BSU in December.
- The Iraqi Regular Army, Intervention Forces, and National Guard (ING) now have a standard table of organization and equipment and are known collectively as the Iraqi Army (IA). No future funding allocations for this project code are anticipated.

Iraqi National Guard Equipment**Project Code: 24000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	81	11		-	-	-	92	87	74
Change from July	-	-		-	-	-	-	-1	+7
October 2005	81	11		-	-	-	92	86	81

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.**Changes from the July Report:** This report maintains the \$92 million allocated to Iraqi National Guard equipment.**Accomplishments since the July Report:**

- Continued force generation for the 1st Brigade of the 9th Division and the 2nd Brigade of the 7th Division.

Accomplishments anticipated in the next quarter:

- Complete forming of 1st Brigade of the 9th Division and the 2nd Brigade of the 7th Division.
- No future funding allocations for this project code are anticipated.

Iraqi National Guard Facilities
Project Code: 27000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	-	359		-	-	-	359	310	96
Change from July	-	-		-	-	-	-	+29	+134
October 2005	-	359		-	-	-	359	339	230

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense

Changes from the July Report: This report maintains the \$359 million allocated to Iraqi National Guard facilities.

Accomplishments since the July Report:

- Completed battalion-sized facility for the 4th Division at Samara, accommodating approximately 775 people.

Accomplishments anticipated in the next quarter:

- Complete four battalions and one brigade HQ for 10th Division in the Southwest. (\$55 million)
- No future funding allocations for this project code are anticipated.

Iraqi Security Forces Quick Response Program
Project Code: 26000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	40	130		-	-	-	170	157	73
Change from July	-	-		-	-	-	-	+7	+62
October 2005	40	130		-	-	-	170	164	135

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense.

Changes from the July Report: This report maintains the \$170 million allocated for the Iraqi Security Forces Quick Response Funds Program (QRP).

Accomplishments since the July Report:

- Distributed a variety of equipment and services to all of the divisional coalition Major Subordinate Commands within Iraq, providing commanders with the means to build strong and capable Iraqi Security Forces (ISF).
- The table below breaks out the QRP categories and the amount committed/obligated in each area:

Category	Committed	Obligated
Reconstruction/Repair/Force protection of Buildings	\$50,392,145	\$50,163,812
Office Equipment/supplies/Furniture/computers	\$7,598,620	\$7,232,873
Uniforms for Iraqi Security Forces	\$7,399,980	\$7,399,980
Transportation	\$11,881,469	\$11,873,999
Equipment	\$47,980,043	\$45,686,537
Training and Training Equipment	\$712,053	\$653,403
Infrastructure Repair	\$17,322,635	\$16,842,941
Emergency Life Support for ISF	\$19,510,214	\$19,310,285
Total	\$162,797,159	\$159,163,830

NOTE: Committed and Obligated Data is current as of 8 Sep 05

Accomplishments anticipated in the next quarter:

- Continue to respond rapidly to the needs of the ISF and provide them timely assistance for urgent and compelling emergent requirements.
- Continue to spend QRP funds at a rate consistent with requirements and objectives. The Commander, MNSTC-I will use information from local commanders to identify and fund the most critical, time-sensitive needs.

Commander's Humanitarian Relief & Reconstruction

Project Code: 28000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	-	86		-	-	-	86	79	21
Change from July	-	-		-	-	-	-	+7	+21
October 2005	-	86		-	-	-	86	86	42

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/Multinational Force-Iraq (MNF-I) and USAID.

Changes from the July Report: This report maintains the \$86 million allocated for the Commander's Humanitarian Relief and Reconstruction Projects (CHRRP).

Accomplishments since the July Report:

- Delayed purchase of Rasheed Landfill heavy equipment because of conditions at the landfill. Mitigating the landfill issues. (~\$2.9 million)
- Delayed completing the University of Tikrit infrastructure improvements due to contractor issues. The MSC is re-engaging with the contractor. (~\$1 million)
- Completed Schwan petrol station renovation in Kirkuk (\$141,300) pending final payment.
- Completed seven water and sewer projects in Baghdad that focused on pump stations and sewage line cleaning. (\$1.56 million)
- Completed renovation of the Al Jadriya Irrigation System in Baghdad. (\$869,000)
- Completed additional work at Pump Station 14A in Baghdad. (\$45,635)
- Completed 120-day modification to the Baghdad Solid Waste Transfer Haul contract in Baghdad. (\$8.3 million)
- Completed provision of communication equipment and phones to the Northern Region Distribution Center (Oil) in Kirkuk. (\$44,995)
- Completed building and fence for the Al Ruwad Water Complex. (\$33,391)

USAID

- Completed 149 additional projects under the Community Actions Program's (CAP's) Business Development Projects (BDP) and moved forward on implementing the remaining 196 projects. The BDP is implemented only in Baghdad.

Anticipated accomplishments in the next quarter:

- Complete Shukran water system extension in Ash Sharqat. (\$20,000)
- Complete clean-up of Ad Duluiyah Irrigation Canal. (\$43,000)
- Complete the Kuban water project. (\$469,900)
- Complete Artestian well power connection in Al Huwaish. (\$5,700)
- Complete the Al Farhatia water repair project in Muhatta. (\$77,500)
- Complete the provision of a Water Compact Unit in Al Habib. (\$162,200)
- Complete purchase of Rasheed Landfill heavy equipment. (~\$2.9 million)
- Complete infrastructure improvements at the University of Tikrit. (~\$1 million)

USAID

- Complete 196 additional projects under the Community Actions Program's BDP and move forward on identifying and implementing new 200 projects. The BDP is implemented only in Baghdad.

SECTOR: Justice, Public Safety Infrastructure, and Civil Society

Other Technical Investigative Methods

Project Code: 31000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	5	-		-	-	-	5	1	1
Change from July	-	-		-	-	-	-	-	-
October 2005	5	-		-	-	-	5	1	1

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Departments of Defense and State, with some funds transferred to the Department of Justice.

Changes from the July Report: This report maintains the \$5 million allocated for the Commission on Public Integrity (CPI) to use electronic surveillance equipment and advanced investigative, accounting, prevention and training techniques to detect, deter, identify, and investigate illegal activities and organizations. CPI achieved advances and growth in capabilities during this quarter including expansion to new leased buildings while a larger headquarters is being renovated, expansion of training, new public outreach capabilities and progress in planning for continued expansion and sustainability work during 2006.

Accomplishments since the July Report:

- Continued roll out of Code of Conduct and Financial Disclosure for the ITG. The Prime Minister held a press conference to publicly sign the Code of Conduct. CPI is receiving the three million forms back from the ministries and evaluating the results/compliance. Financial Disclosure compliance is assessed by CPI to be greater than 75% with forms continuing to arrive.
- Commenced planning and contracting of CPI Anticorruption Training Academy and new headquarters. Once the existing structure is renovated, equipped and staffed it will provide expanded facilities for training to CPI, the Inspectors General and the Board of Supreme Audit. This institute is planned and primarily funded (\$12 million) by the Iraqi government. Experienced delays when the initial building was reassigned to MoD use. Evaluating the new building for dual purpose use as the training academy and 1000-personnel CPI headquarters. A decision is pending whether to use the existing structure or construct a separate building for the CPI Anticorruption Training Academy.
- Expanded investigator training in Baghdad to include Mosul Branch Office Investigators.
- Increased the capabilities and professionalism of CPI public affairs department by utilizing tailored programs from U.S. experts and consultants.

- Enhanced CPIs legislative affairs capabilities resulting in draft legislation being submitted to the National Assembly as well as CPI being included in the new constitution.
- Began building sustainable management systems and processes with a variety of initial projects for restructuring and creating processes for the investigative department, security department, public affairs department and in planning CPI expansion in 2006.
- Expanded CPI office space to building leased from Baghdad Amanat and completed renovations to the buildings. These buildings will be leased for approximately one to two years.

Anticipated accomplishments in the next quarter:

- Begin standing up the Corruption Information Unit, which has grown out of the Special Investigative Unit and the Witness Protection Program.
- Plan the feasibility of a Financial Investigative Unit capable of investigating more complex corruption crimes.
- Complete the contract for renovating and/or building the expanded CPI headquarters building and the CPI Anticorruption Training Academy.
- Continue ongoing sustainability work in the areas of management capability and establishment of greater systems, processes, and procedures.
- Continue to outfit CPI with needed equipment and technology.

Witness Protection Program

Project Code: 30000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	40	-3	-	-	-	-	37	35	0
Change from July	-	-	-	-	-	-	-	-	+10
October 2005	40	-3	-	-	-	-	37	35	10

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Departments of Defense/Project and Contracting Office (PCO) and State, with funds transferred to the Department of Justice.

Changes from the July Report: This report maintains the \$37 million allocated to support a Witness Protection Program (\$35 million) and to establish and sustain the Commission on Public Integrity (CPI) (\$2 million). The funds for CPI are in addition to funds provided for the CPI in the Other Technical Investigative Methods (PC 31000) and Democracy Building Activities (PC 06000) project codes.

Construction of the witness security facilities is directly related to the construction of the four new courthouses in Judicial Security and Facilities (PC 09000). Equipment for the witness security program cannot be purchased until the near completion of the facilities. Training for the witness security agents cannot commence until the Ministry of Finance awards full time positions to the Higher Juridical Council (HJC) security officers, which has yet to occur.

Accomplishments since the July Report:

PCO

- Began construction at the new witness security facilities in Karkh Districts of Baghdad. The cost for each facility is ~\$2.5 million. (referenced above)
- Reevaluated how to obligate \$3 million after deciding to transfer the funds from Witness Protection Program (PC 30000) to Democracy Building Activities (PC 06000). Continued discussions with the Iraqi government on how best to obligate CPI's remaining \$2 million considering the decision by CPI to move forward with an anticorruption training academy as well as a restructuring and focusing of the investigative department to include a Corruption Information Unit as well as discussions on the need for a Financial Investigative Unit.
- Began standing up the Special Investigative Unit to provide witness protection, technical and tactical support in investigations through the use of surveillance and counter surveillance, providing special security details for investigators, the gathering of evidence, executing search warrants and effecting arrests.
- Completed the initial purchase of basic investigative equipment for CPI headquarters and one branch office.

Department of Justice (DoJ)

- Purchased and issued security equipment to Higher Juridical Council and Ministry of Justice FPS and PSDs to include 1,500 badges and credential cases, 3,000 uniforms, 100 sets of tactical gear, and 5,000 sets of handcuffs, leg irons, and belly chains.
- Acquired a safe house in the International Zone for the HJC.
- Acquired Judicial housing near the Central Criminal Court of Iraq (CCCI) Baghdad which includes nine apartment buildings in the complex

Anticipated accomplishments in the next quarter:

PCO

- Begin construction at the witness security sites in Rusafa District of Baghdad, Mosul, and Basrah. (~\$7.5 million)
- Complete renovations to the Al Hayat Apartment Complex. (~\$10 million)

- Finalize floor plan to begin construction at the new witness security facilities in Karkh and Rusafa Districts of Baghdad. (~\$2.5 million each) (referenced above)
- Reprogram funds earmarked for CPI in Witness Protection Program (PC 30000) to Other Technical Investigative Methods (PC 31000) consistent with the current capacity building and sustainability needs for CPI which require less funding for the witness protection program and additional funding for the Criminal Investigative Unit, a potential Financial Investigative Unit and a CPI Anticorruption Training Academy.

Department of Justice

- Complete issuing of equipment for the Witness Security program, as well as uniforms and equipment for the HJC FPS. (~\$5 million)
- Continue renovating the Al Hayat Apartment Complex in the International Zone as a Witness Security offsite location. (~\$10 million)
- Commence moving judges into the Al Hayat Apartment Complex.
- Train 40 full time employees of the HJC on Judicial Security at the U. S. Marshals Special Operations Group Headquarters in Pineville, Louisiana.

Penal Facilities

Project Code: 32000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	100	-13	-	-	-	-	87	59	9
Change from July	-	-	-	-	-	-	-	-	+10
October 2005	100	-13	-	-	-	-	87	59	19

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$87 million allocated for penal facilities.

Accomplishments since the July Report:

- Substantially completed Advance Work Package which includes: perimeter wall, internal and external fences, guard towers, internal and external roadways, and water network piping for the Nassriya Correctional Facility. (~\$10 million)
- Awarded contract for site infrastructure development to include two maximum security housing units, administration and ancillary buildings, sally port, site water wells and water treatment plant, sanitary sewer systems, and electric generation and distribution system for the Nassriya Correctional Facility. (~\$55 million: inclusive of Advance Works Package)

Accomplishments anticipated in next quarter:

- Continue construction on the main correctional facility at Nassriya.

Reconstruction and Modernization of Detention Facilities**Project Code: 33000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	135	30	-	-	-	-	165	85	18
Change from July	-	-	-	-	-	-	-	+42	+13
October 2005	135	30	-	-	-	-	165	127	31

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Departments of Defense/PCO, Department of Justice International Criminal Investigative Training Assistance Program (ICITAP) and State.

Changes from the July Report: This report maintains the \$165 million for the reconstruction and modernization of detention facilities.

Accomplishments since the July Report:**PCO**

- Completed the Advance Works Package which includes perimeter walls, internal and external fences, guard towers, interior and exterior roadways, and power distribution network for the Khan Bani Sa'ad Correctional Facility. (~\$13 million)
- Definitized contract for the Khan Bani Sa'ad Facility project. (~\$87 million; inclusive of Advance Works Package costs)
- Cancelled the Abu Ghraib facility renovation project due to the MNF-I and MoJ decision to pull out of the Abu Ghraib facility. The renovation of electrical services, water services, and structural repairs were to cost approximately \$2 million.

Department of Justice (ICITAP)

- Received vehicles and equipment for the Iraqi Corrections Service (ICS) which included inmate transport buses, front-end loaders, backhoes and Motorola radio equipment. (\$1.7 million)
- Developed a Training Academy Program in Sulaymaniyah to train Kurdish Corrections Police in Training for Trainers course. This will facilitate Basic Pre-Service Training of Kurdish Corrections Police being assigned to the facilities associated with the Military Detention Transition Plan for Kurdish prisons.

- Obligated funds for acquisition of additional ICS vehicles. (\$1 million)
- Achieved ICS acceptance of a program to implement a correctional data management system. Developed Statements of Work to execute the first step in a program for the Baghdad Region in coordination with the U.S. Army. (\$.5 million)

Accomplishments anticipated in next quarter:

PCO

- Begin construction on Phase I of the Khan Bani Sa'ad Correctional Facility, which includes three medium security housing units, one maximum security housing unit, one segregation housing unit, all ancillary buildings, water treatment plant, waste water treatment, electrical generation and distribution system, sally port, and vehicle search area .
- Award contract for and start construction at Dahuk Rehabilitation Center.

Department of Justice (ICITAP)

- Anticipate contract awards for procurement of ICS vehicles including inmate transport buses, dump and sewage trucks, and water tankers. (\$.9 million)
- Initiate an ICS Training Academy Program in Basrah to train ICS staff in Training for Trainers course. This will facilitate the Basic Pre-Service Training of the ICOs being assigned to the facilities associated with the Military Detention Transition Plan.
- Deploy hardware, network infrastructure, and internet connectivity of the automated Offender Management System at three prison facilities and the ICS Headquarters in the Baghdad area. Initiate intermediate level computer instruction at the ICS Training Complex.
- Seek funding to continue Linguist/Translator contract services for ICITAP advisors in correctional facilities throughout Iraq.
- Seek funds and initiate planning for upgrading ICITAP warehouse at the Rusafa Prison Complex. Upgrade will facilitate proper storage of weapons and equipment.

FACILITIES REPAIR, FIRE SERVICE, AND DEMINING

Facilities Repair

Project Code: 13000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	92	-3	-	-	-	-	89	75	20
Change from July	-	-	-	-	-	-	-	+2	+26
October 2005	92	-3	-	-	-	-	89	77	46

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$89 million allocated to Facilities Repair.

Accomplishments since the July Report:

- Continued construction on all 13 new fire stations, delayed due to security and sub-contractor issues. (~\$18 million)
- Completed 56 fire station renovations. (~\$19 million)

Accomplishments anticipated in next quarter:

- Complete construction of 13 new fire stations. (~\$18 million)

Fire Service

Project Code: 14000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	122	-7	-	-	-	-	115	105	41
Change from July	-	-	-	-	-	-	-	+1	+42
October 2005	122	-7	-	-	-	-	115	106	83

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the April Report: This report maintains the \$115 million allocated to Fire Services.

Accomplishments since the July Report:

- Received shipments two through seven of Self-Contained Breathing Apparatus at Headquarters Iraqi Civil Defence Directorate (ICDD) Warehouse in August and September; contract now complete (~\$5.5 million). Received shipments one and two of Explosive Ordnance Disposal (EOD) Equipment at Headquarters ICDD Warehouse in August and September; contract now complete (~\$.58 million).
- Received shipment one, consisting of five Fireboats at Port of Umm Qasr and facilitated their delivery to fire stations in September. (~\$.8 million of \$2.5 million contract)
- Terminated contract for foam due to unacceptable quality and re-awarded contract. (~\$.6 million)

- Received 68 of 190 Tactical Command (TACOM) fire vehicles (18 Fuel Tankers, 28 Mini-Pumpers, 22 Medium Rescue Vehicles) and distributed to fire stations nation-wide in July, August, and September. (~\$11 million of \$33 million)
- Received shipments one and two of used cars for Jaws-of-Life Fire Fighting Training, conducted between July and August. (~\$20,500 of \$42,500)
- Received shipment two of Fire Fighting Foam at ICDD Bunker Warehouse. (\$79,600 of \$.4 million)
- Received Armored Vests and Plates at ICDD Bunker Warehouse in September; contract now complete. (~\$7.8 million)
- Received final shipment of Ventilator Fans at Headquarters ICDD Warehouse; contract now complete. (~\$.4 million)
- Trained 400 of 1800 newly recruited firefighters at the fire academy in Bahrain. (~\$4 million)
- Facilitated the training of 300 fire fighters in the deployment of Jaws-of-Life fire equipment at Adnon Palace in the International Zone.

Accomplishments Anticipated in the Next Quarter:

- Conduct fire boat training in Baghdad for 25 fire fighters and distribute remaining fireboats received at Umm Qasr to their designated Fire Stations. (~\$2.5 million) Receive and distribute remaining fire equipment including lockers, rescue equipment, fire utility trucks.
- Complete distribution of TACOM Mini-Pumpers, Medium Rescue Vehicles, and Fuel Trucks. (~\$33 million)
- Establish title to location, complete design, and begin construction of a permanent fire academy in Baghdad. (~\$3 million of \$24 million project cost)

Demining

Project Code: 09500

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	61	9	-	-	-	-	70	65	48
Change from July	-	-	-	-	-	-	-	-	-
October 2005	61	9	-	-	-	-	70	65	48

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of State.

Changes from the July Report: This report maintains the \$70 million allocated for a National Mine Action Program to eliminate the impact of landmines and unexploded ordnance (UXO) on Iraq.

Accomplishments since the July Report:

- Established training facilities at Raviyah Camp, near Az Zubair, encompassing over six square kilometers of secure demolition ranges, small arms firing ranges, Battle Area Clearance training areas, demining training areas, Mine Detecting Dog (MDD) team training areas and Close Protection driving and team tactics ranges and areas.
- Developed comprehensive Standing Operating Procedures (SOPs) for the use of all training areas in several languages.
- Provided Explosive Ordnance Disposal (EOD) Team support to the Joint Area Support Group - Central in clearing and rehabilitating major sewage and water canals within the International Zone.
- Continued training and support to MDD program in the north.
- Advised and assisted the National Mine Action Authority (NMAA) regarding mechanical assistance to Mine Action.

Anticipated accomplishments in the next quarter:

- Continue vital operations by the Mines Advisory Group (MAG) in north Iraq, with mine clearance teams operational in Ninawa, Dahuk, Erbil, Kirkuk, and Sulimaniyah clearing land in support of post-conflict redevelopment.
- Further enhance mechanical mine clearance assets by developing additional roller sets for the Armtrac (mechanical flail), bringing MAG multi-role mechanical capacity to three sets of rollers, two sets of flails and an excavator.
- Implement second half of the Community Liaison and Mine Risk Education project, which focuses on organizational governance, strategic planning, implementing a victim surveillance system, implementing training to health workers and teachers, and completing a mass media campaign. Hold a workshop in October facilitating the development of a strategic plan for the partner organization.
- NMAA to continue performing some of the functions of the Regional Mine Action Center (RMAC) in the Baghdad area, specifically the Iraq Mine and Unexploded Ordnance Clearance Organization (IMCO) and the German Non-Governmental Organization, HELP.

Public Safety Training and Facilities
Project Code: 15000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	139	81	-	-	-	-	220	185	99
Change from July	-	-	-	-	-	-	-	+16	+39
October 2005	139	81	-	-	-	-	220	201	138

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$220 million allocated for the training of firefighters and the operating costs of fire training facilities and Iraqi police training academies, including the Baghdad Public Safety Academy.

Accomplishments since the July Report:

- Completed renovation of existing Civil Defence Headquarters. (~\$2.6 million)
- Developed initial design for the Civil Defence Training Academy. The development of the initial design has taken longer than anticipated due to site issues, and the decision to contract directly with an Iraqi contractor.
- Provided individual uniforms and equipment, Academy life support, and commercial transportation to and from Jordan for Iraqi police cadets.

Accomplishments anticipated in next quarter:

- Award contract and begin construction of the Civil Defence Training Academy. The approximate construction start is estimated to be December 15. (~\$24 million)

National Security Communications Network: Advanced First Responder Network (AFRN)
Project Code: 25000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	98	9	-	-	-	-	107	98	35
Change from July	-	-	-	-	-	-	-	+3	+34
October 2005	98	9	-	-	-	-	107	101	69

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$107 million allocated for the national security communications network.

AFRN is a local, governorate, and national Public Safety communications and dispatch system that will enable Iraqi police, civil defense (fire), and emergency medical personnel to communicate effectively through radio, secure voice, and data communications. It will provide improved emergency services to 16 of Iraq's cities selected for strategic importance. This project is critical for the establishment of an effective police and emergency response force and for linking police, civil defense, and ambulance services to other security and government personnel, enabling them to converge quickly on local and regional emergencies. In addition to AFRN, high frequency (HF) radios have been installed in 79 cities, providing emergency long haul voice and limited data connectivity prior to AFRN's Terrestrial Trunked Radio (TETRA) installation in the 16 cities and in areas not covered by the TETRA infrastructure. As terrestrial fiber optic connectivity is established for the AFRN TETRA network, the HF will serve as backup voice connectivity. The project is phased into two major Task Orders, TO 5, covering Baghdad, and TO 6, covering 15 cities in the governorates.

Accomplishments since the July Report:

- Implemented Phase II of the TETRA Radio Fielding Plan, which will involve programming, encryption, and distribution of radios (handhelds, desktops, and vehicle-mounted) to the 16 AFRN cities. Delivered just over 12,000 handheld and desktop radios to the Ministry of Interior (MoI) Headquarters, Department of Communications, to be distributed throughout the early part of the next quarter to support the December 15 General Elections.
- Supported the establishment of a dedicated AFRN team at the MoI to manage the AFRN program through emphasis on aggressive information sharing and facilitation of direct MoI participation. Integrated the MoI team with the Project Delivery Team (PDT), which meets weekly. Facilitated working group meetings with MoI throughout the week. Supported IRMO to ensure MoI staff working on AFRN will not be reassigned or relocated until project completion.
- Continued training of MoI Department of Communications staff (from Baghdad and the 8 Governorates getting AFRN dispatch centers) to perform necessary tasks to manage, operate and maintain the AFRN, with courses ranging between one day and one week in duration, depending upon job description. 208 of the 889 individuals have been trained as of August.
- Obtained cooperation from the Ministry of Oil (MoO) for fuel and the Ministry of Electricity (ME) for reliable power for AFRN sites in Baghdad and the 15 outlying AFRN cities. MoI and ME personnel assessed all AFRN sites for connection to essential services (24/7) or commercial power and established connectivity. MoI requested and received a fuel allotment for Baghdad AFRN sites and continued planning eventual assumption of fueling responsibilities for all 16 AFRN cities.
- Completed a budget estimate with MoI Department of Communications for sustainment of AFRN and submitted it to the MoI Director of Finance for consideration in the MoI 2006 budget.
- Completed successfully the Site Acceptance Test (SAT), Network Acceptance Test (NAT), Operational Readiness Test (ORT), and Final Operational Capability (FOC) for Baghdad AFRN system under TO 5. Completed SAT and NAT testing in August. Completed ORT testing and achieved FOC in September.

- Commissioned the Baghdad network on August 30. This system consists of 24 base transceiver stations (BTSs), one government dispatch center (GDC), one incident command center (ICC), and one national command center (NCC) and provides the city with emergency response communications.
- Continued Operation and Maintenance (O&M) of the Baghdad network for systems operations, generator and systems maintenance, and fueling until February 16, 2006.
- Continued the installation, testing, and commissioning of all 15 citywide networks under TO 6.

Accomplishments anticipated for the next quarter:

- Facilitate MoI Department of Communication distribution of approximately 16,000 radio units (handheld, desktop, and vehicle-mounted) under Phase II of the Radio Fielding Plan, to the 16 AFRN cities. Oversee further distribution of remaining 11,000 radios as needs of MOI units and spares allocations are refined.
- Complete training of 889 MoI Department of Communications staff to perform necessary tasks to manage, operate, and maintain the AFRN. Classes range between one day and one week depending upon job assignment.
- Facilitate MoI Department of Communications assumption of fueling responsibilities for the Baghdad and Outlying City AFRN sites. Estimated start date of Iraqi fueling is October 31.
- Complete the installation, testing and commissioning of the 15 city networks under TO 6. Estimated completion date is October 31.
- Continue Operation and Maintenance (O&M) under TO 6 for systems operations, generator and systems maintenance, and fueling until January 15, 2006 for the 15 cities.

Rule of Law in Iraq

Project Code: 06500

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	30	26	-	-	-	-	56	28	13
Change from July	-	-	-	-	-	-	-	+6	+13
October 2005	30	26	-	-	-	-	56	34	26

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of State (INL), USAID and Department of Defense.

Changes from the July Report: This report maintains the \$56 million allocated for the Rule of Law.

Accomplishments since the July Report:

Department of State, Bureau of Narcotic and International Law Enforcement Affairs (INL)

- Completed Phase I (three months) of the Iraq Justice Integration Project (IJIP) which resulted in: (1) a detailed work plan for the remaining two IJIP phases that will span approximately two and a half years; (2) formation of an inter-ministerial coordination structure, including the Commission comprised of the Ministers of Justice and Interior and the Chief Justice, and the Steering Committee comprised of high-level appointees who will devise and propose policies and procedures for increased integration of police, courts, and prisons; and (3) identification of areas where immediate action could significantly improve information flow in the criminal justice system.
- Organized Rule of Law coordination meeting that followed the July IRRFI donors' coordination meeting to begin planning a coordinated assistance effort to the new Iraqi Rule of Law Sector Working Group. Donor's agreed to utilize INL's comprehensive Rule of Law Framework to serve as the basis for coordination efforts. This framework is also being used to work with the Iraqi stakeholders to devise a more comprehensive Iraqi Rule of Law strategy.
- Completed security upgrades for Baghdad location of Central Criminal Court of Iraq. Continued working on rehabilitation of office space in same location.
- Facilitated widespread consultation and program planning activities with Iraqi justice stakeholders and Embassy leadership to further develop specific Rule of Law and Justice Reform programs.

USAID

- Operationalized the new Ministry of Justice website.
- Assessed the Higher Juridical Council's institutional strengthening and capacity building needs for commercial law adjudication and development. Upon review of the assessment and the temporary status of the current government, capacity building and strengthening efforts will be postponed until the new government is elected.
- Did not survey alternative dispute resolution (ADR) providers in Iraq due to the lack of capacity of the current Iraqi Government to support counterpart activities possible, and did not identify possible candidates for International Law Institute training on ADR. This activity will be postponed until the new government is elected.
- Did not hold a public conference on new commercial agency law in association with a local NGO due to the lack of capacity of the current Iraqi Government to support counterpart activities. This activity will be postponed until the new government is elected.

Accomplishments anticipated in the next quarter:

Department of State/INL

- Begin implementation of Iraqi-led Rule of Law Advisory/Strategy Committee and support to Constitution process (implementation of human rights programs). (\$3 million)
- Issue Statement of Work (SOW) for Justice Capacity Project (\$14 million), and begin project implementation. This SOW includes activities that will:
 - Build capacity of the Higher Juridical Council.
 - Strengthen the Iraqi public defense system and train defense attorneys.
 - Build capacity of the Ministry of Human Rights and legal professionals to prevent abuse in the justice system.
- Begin Phase II of the Justice Integration Project. Facilitate regular meetings of the Commission for Iraqi Justice Integration and its respective working groups, which make up the inter-ministerial coordinating structure.
- Begin facilitating the development of integrated policies and procedures within the Steering Committee and the Policies and Procedures Working Group.
- Implement plans for basic data sharing between police, prisons, and courts.
- Rehabilitate courtrooms in the Baghdad location of the Central Criminal Court.
- Begin assessment for “Culture of Lawfulness” project which will work with the Iraqi Ministry of Education and other education policy makers to develop a rule of law curriculum for Iraqi primary schools and train teachers. Assessment to be completed by January 2006

USAID:

- Complete a commercial law diagnostic examining the current legislation and recommending areas of reform.
- Coordinate with the USG and ITG in passing the NGO and Commercial Agency Laws through Parliament.

Investigations of Crimes Against Humanity

Project Code: 05000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	75	53	-	-	-	-	128	72	29
Change from July	-	-	-	-	-	-	-	+46	+17
October 2005	75	53	-	-	-	-	128	118	46

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Justice (with funds transferred from Departments of Defense and State) and USAID's Office of Transition Initiatives (USAID/OTI).

Changes from the July Report: This report maintains the \$128 million allocated to investigations of crimes against humanity.

Accomplishments since the July Report:

Department of State

- Completed the third mass grave exhumation in June in Al Amarah. Contracts are in place with USACE for the personnel necessary to conduct the next two digs (~\$7.9 million) and to complete the forensic analysis reports necessary for evidentiary purposes.
- Completed transfer of \$4 million to PCO Construction for renovating the East Wing of former Ba'ath Party Headquarters to provide office space for the Iraqi Special Tribunal (IST).
- Established the logistics support and security contracts for the exhumation to accomplish the next two mass grave digs. (~\$11.7 million)
- Purchased equipment and supplies for the Mass Graves Exhumation and Forensic Analysis Facility teams.

USAID/OTI

- USAID/OTI continued to support the Forensic Evidence Facility (FEF) and the Secure Evidence Unit (SEU), including provision of stipends to laborers protecting the documents collected for evidentiary purposes.

Department of Defense

- Turned over the IST Courthouse to the control of the IST on July 1.
- Used the temporary (tent) morgue facility, the Forensic Analysis Facility (FAF) to analyze evidence of the mass grave exhumations. The FAF is fully functional and less costly than building a permanent facility.

- Completed the Force Protection for the FAF living area and continued the contracts for O&M. (~\$3.5 million)

Accomplishments anticipated in next quarter:

Department of State

- Complete exhumation of gravesites four and five from September through December. Planning and contract negotiations with USACE and the U.S. military for logistical support and security during the exhumations.
- Renovate East Wing of former Ba'ath Party Headquarters for office space and safe haven billeting for IST Courthouse.
- Modify IST Courthouse, perimeter, and extra control points due to security concerns.
- Develop statement of work for and install courtroom technology in support of the trials.

USAID/OTI

- USAID/OTI will work with the RCLO to identify additional needs in order to provide continued support to the IST, FEF, and SEU.

Department of Defense

- Develop statement of work to move the SEU into the International Zone (IZ). The SEU's request to occupy IZ building application is pending.
- Begin renovation of a space within the IZ to relocate SEU, and complete the project by December, including the relocation of the existing SEU to the new facility. (\$4 million)
- Extend/renew current contracts to cover mission support through the end of the investigations. (~\$2.2 million)

Judicial Security and Facilities

Project Code: 09000

Funding for Judicial Security and Facilities is used to improve the security of and perform structural repairs to Iraqi courthouses and provide around-the-clock security and protective services for judges and prosecutors in Iraq. In addition, some of these funds are used to support the Department of Justice's Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) program, which provides criminal justice experts to the Ministry of Justice.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	73	86	-	-	-	-	159	103	33
Change from July	-	-	-	-	-	-	-	+15	+12
October 2005	73	86	-	-	-	-	159	118	45

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Departments of Defense/PCO and Department of State, with some funds transferred to Department of Justice.

Changes from the July Report: This report maintains the \$159 million allocated to Judicial security and facilities.

Accomplishments since the July Report:

Department of Justice

- Commenced renovation of Central Criminal Court of Iraq (CCCI). (~\$3.2 million)
- Distributed eight armored vehicles to Ministers and Judges. (~\$1.32 million)
- Distributed security equipment to six of the twelve Central Criminal Courts of Iraq (CCCI)s Baghdad, Ba'quba, Tikrit, Najaf, Karbala, and Hilla.
- Trained 372 security personnel for the Higher Juridical Counsel in Hilla at the Armor Group Training Academy, which included Advanced Training for some FPS and PSDs that have attended the basic training. (\$4 million)

PCO

- Continued construction of the new Karkh District Courthouse in Baghdad (25% complete). Construction provides employment for 250 personnel for 8 months. Use same design to build four additional courthouses throughout Iraq. Each new courthouse costs approximately \$10 million and will employ approximately 200 full-time personnel.
- Continue to renovate the Basrah Courthouse. Project is 90% complete. Phased construction process started later than scheduled causing a revision in overall schedule. (~\$3 million)
- Renovated four courthouses; three in Muthana and one in Wasit. Five courthouse renovations in progress; one in Baghdad (CCCI), two in Ninawa, and two in Basrah. The National courthouse renovation program is \$5.5 million.

Anticipated accomplishments in the next quarter:

Department of Justice

- Issue security equipment to the rest of the CCCIs throughout Iraq.
- Purchase security equipment for the CCCIs. (~\$2 million) Visit and set up logistics to equip the remaining six CCCIs. Examples of security equipment are Rapid Scan X-ray machines, magnetometers, weapons clearing barrels, ballistic vests, weapons, Closed Circuit TV monitoring equipment, ballistic glass and doors, flashlights, binoculars, and Delta barriers. (\$2 million)
- Purchase new armored vehicles. (~\$2 million)
- Pay for security personnel from the Higher Juridical Counsel (PSDs and FPS) to be trained. (~\$3 million)
- Purchase 10 armored vehicles for Judicial motorcade to be used at the Al Hayatt safe site.

PCO

- Begin additional renovations in all regions (north, central, and south) pending final assessments of courthouse locations. (~\$2.4 million).
- Complete the four courthouse renovations, three in Ninawa (Tal Kief, Al Sheikhan and Tikrit) and one in Basrah (Al Zubayr). (~\$1.8 million)
- Complete renovations at the CCCI in the Karkh District of Baghdad. (~\$1.3 million)
- Defer construction of the new courthouses in Baghdad's Rusafa District, Mosul, Basrah, and Hilla pending resolution of land and design issues. (~\$40 million)

Democracy-Building Activities

Project Code: 06000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	541	401	-	-	-	-	942	852	443
Change from July	-	-	+53	-	-	-	+53	+43	+155
October 2005	541	401	53	-	-	-	995	895	598

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of State and USAID.

Changes from the July Report: This report includes a previous notification to Congress of the Administration's intent to increase funding in this project code by \$35 million to support the Office of Transition Initiatives (OTI) program, providing fast flexible assistance to meet Iraq's most critical challenges in the current transition phase. The funding will also support the military through its quick-reaction post-battle reconstruction activities in Strategic Cities across

Iraq. \$15 million of these funds were reallocated from Vocational Training (PC 02001) and \$20 million from Institutional Reforms (PC 01500).

This report additionally includes a previous notification to Congress of the Administration's intent to increase funding in this project code by \$18 million from Electricity Transmission (PC 41000). \$15 million is intended to go to increasing awareness of civil society, electoral, and constitutional processes critical to building a stable and lasting democracy in Iraq. The remaining \$3 million will provide continued support for ongoing democracy building activities that will help increase participation by traditionally underrepresented groups.

During this quarter the seminal event of drafting a new Iraqi Constitution was completed, achieving a key political milestone in Iraq's transition from dictatorship towards democracy. The USG provided extensive financial and technical assistance for the benefit of Members of the Transitional National Assembly, political parties, civic organizations, independent media, minorities, and women's groups through the provision of international experts, workshops, and seminars. A Constitutional Dialogue program reached 93,494 Iraqis, many of whom answered questionnaires about the process that were compiled and presented to the TNA Constitutional drafting committee.

Increased support was provided to Iraq's burgeoning civic sector. A wide spectrum of USG assistance programs ensured that all sectors of Iraqi society, rural and urban, could actively participate in the constitutional process. A \$500,000 grant provided to a coalition of more than thirty women's groups is one of many programs designed to promote women's participation in the on-going political process. Another \$3 million project to give Iraqi women a voice in lobbying on the constitution led to a number of changes that advanced the cause of women's rights in Iraq. 97 small grants totaling \$750,000 to civil society organizations highlight the USG's firm commitment to strengthening Iraq's nascent democracy. USG assistance helped launch the independent New Iraqi News Agency. These programs are strengthening the democratic institutions, especially civic ones, which must form the bedrock of a stable and democratic Iraq. The cumulative effect of this democracy initiative is to bolster the legitimacy of the political system, build institutional capacity and inculcate among Iraqi citizens the ethos and habits of democratic governance.

Targeted assistance, in particular, was provided to support an intensive public awareness and civic education and outreach campaign throughout the country in preparation for the October 15 national referendum on the Constitution. This is part of the longer term assistance for the full transitional elections cycle. It includes support for the Independent Electoral Commission (IECI) to expand voter registration, especially among Sunnis who, for the most part, boycotted January elections, but since have joined the political process. It also included distribution of millions of education materials by civic groups and coalitions and sponsoring media programs. 268 constitutional workshops were held.

Through the local governance program, the evolving Provincial Reconstruction Development Committees (PRDCs) located in each governorate empowered elected local officials in the decision-making process of national reconstruction. For example, 2,859 members in 17 out of 18 Provincial Councils were trained on public administration operation and processes. Through targeted reconstruction grants and other support provided by USAID/OTI, USG assistance provided critical support in the post-conflict cities of Falluja, Ramadi, Sadr City and Mosul. USAID/OTI supported the generation of short-term employment opportunities, implementation of rehabilitation projects, and creation of grass roots civic education initiatives. The Community

Action Program completed 400 community-based projects. Critical help was provided to civilian victims of the conflict through the Marla Ruzicka Iraqi War Victims initiative.

Accomplishments since the July Report:

Department of State\DRL:

Support to Iraqi Transitional Government:

- Through the National Endowment for Democracy (NED), the International Republican Institute (IRI) and the National Democratic Institute (NDI), DRL continued to support programs that political party development. In doing so, DRL supported the development of a free and democratic political order in Iraq, with a constitution that protects individual freedoms, promotes equality of all citizens, and consolidates the democratic gains achieved to date.
- \$25,828,466 has been disbursed to NED to date out of the \$30,000,000 obligated to NED under this project code.
- Funded the Iraq Constitution Assistance Project that provides constitutional experts with experience in transitional democracies to the Iraqi constitutional drafting committee and to civil society organizations. The project increased public outreach and education on the constitutional process through the production of television and radio programs and workshops. It spawned a democratic forum for civil society actors to debate the constitution, engage in the monitoring of and participating in the constitutional and electoral processes, and examine future policy making mechanisms in the country.
- Supported Constitutional Dialogue program that reached 93,494 Iraqis through some 3,610 dialogues; 73,167 questionnaires were entered into a database.
- Supported the launch of a voter registration observation program that recruited 180 individuals to monitor the Independent Electoral Commission of Iraq's (IECI) new voter registration process through the end of August.
- Continued to support coalition building training, particularly to seven moderate political parties seeking to form a coalition through a coalition building seminar held August 14 to 16.
- Provided assistance to Constitutional Committee Members through an International Advisory Group of some 40 constitutional and legal experts from around the world.
- Continued a \$2.855 million program providing drafters of the Constitutional Committee analysis of the latest drafts of the Iraqi constitution. This project offered support for the Iraqi constitutional process by supporting Iraqi NGOs conducting public education campaigns and university centers in Baghdad and Basra to spur debate and to mobilize community participation. It supported outreach to Sunni areas and spurred inter-religious discussion of the constitutional process and of human rights through the Iraqi Institute of Peace.
- Supported a program that generated papers on federalism and negotiation.

- Continued support for political party media training and studio basic skills training. This saw a significant increase in the number of media programs on electoral reform, political party development, coalition-building, and women's issues.
- Continued to work with political entities to become viable political parties able to participate and compete in the political process.
- Focused programmatic activities to motivate parties to engage the public by using party-building activities, such as outreach and advocacy, as part of a nation-wide constitutional education process, critical to Iraq's long-term democratic development.
- Continued to support increased media programming and development, primarily through the Media Center.

Women's Democracy Initiatives (State - DRL, NEA, and the Office of the Senior Coordinator for International Women's Issues):

- Continued implementation of a comprehensive package of training activities in several key areas: education for democracy, leadership training, political training, entrepreneurship, coalition-building, organizational management and coordination, and media training.
- Ramped up training workshops for women political leaders, including members of the Transitional National Assembly, with focus on constitutional drafting and coalition-building.
- Expanded efforts to increase women political participation in Iraq with focus on the constitutional drafting process and to foster an environment in which women are viewed as credible and effective leaders.
- Continued to hold regional meetings and workshops in north, south and central Iraq in order to further develop women's awareness of the constitutional process, political participation, and training of trainers in the democratic process.
- Organized the Iraqi women's lobby group, which organized rallies and held events with major Iraqi political leaders to get them to support women's rights in the constitution. Overall, apart from the major political parties, women were the most successful civil society group in getting favorable provisions into the draft constitution.

USAID

- USAID continued to support the decentralization of resources and decision-making authority to the provinces through its assistance to the Ministry of Municipalities and Public Works (MMPW), including support to the MMPW's pilot service delivery project in Al Kut and Zubadiya local governments in Wasit Governorate.
- Trained 2,859 members in 17 out of 18 Provincial Councils on roles and responsibilities, public administration operations and processes, and citizen participation.
- Provided technical assistance in the organization and operations of Local Government Associations in Tanim, Babil, Diwaniya, Wasit, Qadisiya, Karbala, and Najaf provinces.

- Assisted PRDCs in identifying and prioritizing local development projects.
- Developed detailed program action plan to assist PRDCs to be more effective in undertaking their envisioned mandate and operations.
- Conducted three regional (South Central, Northern Region, South) conferences entitled "Local Government and the New Constitution: Next Steps after the Constitution."
- Made presentations to the Transitional National Assembly, the Prime Minister's Office, and local councils on the functions of different levels of government based on comparative models from other democratic countries.
- Facilitated the collaboration between Bearing Point and the Ministry of Municipalities and Public Works (MMPW) to co-host a conference on administrative and fiscal decentralization. Some 190 individuals attended the conference, including Dr. Mowaffik Al Ruba'ie (a past member of the Interim Governing Council), Ms. Nesreen Barwari (Minister of MMPW), governors and deputy governors from seven governorates, several governorate council chairs, local ministry directors general from eight governorates, and representatives of several central ministries.

The Community Action Program (CAP):

- Completed 400 on-going community-based projects during this reporting period.
- Initiated activities by all five CAP implementing partners under the new cooperative agreements. Increased the focus of the program on income and employment generation, conflict mitigation and prevention, and advocacy skills of community associations to engage subnational government.
- Through the business development component of the CAP, created over 1,000 long-term jobs through this reporting period. Illustrative projects include the establishment of the Al-Taqneya car services and maintenance garage in Masbah and the supply of machines and equipment to the water purification equipment factory in Nissan 9 neighborhood in Baghdad, which generated 59 long term jobs.
- Assisted civilian victims of the conflict through the Marla Ruzicka Iraqi War Victims initiative. To date, 643 projects have assisted over 404,000 direct beneficiaries and generated 82,603 short-term and 2,880 long-term jobs.

Support to Iraqi Interim and Transitional Government:

- Supported newly elected government by providing training for Iraqi National Assembly (INA) representatives and official staff.
- Supported the constitution making process through the following: provided regular legal commentary on working drafts of the constitution to the Chairman and other members of the Constitutional Committee; held consultations, seminars and workshops with members of the Constitutional Committee, TNA, Executive and Judicial branches on constitutional

development and public education and comment; and provided comparative research and background materials on constitutional law issues to the Constitutional Committee, including a briefing book that addresses key questions such as federalism, women's rights, and the relationship between religion and state.

- Developed the capacity of national government officials and staff members to conduct constituent outreach through the following: assisted the Constitutional Committee in developing a public communications strategy; identified and trained public relations officers for the Transitional National Assembly (TNA); and assisted the Constitutional Committee in producing press releases and convening press conferences on the constitutional process.
- Supported women leaders and organizations in their efforts to advocate for strengthening gender equity provisions and legal rights during the critical constitutional drafting period. Efforts included:
 - Assistance to women leaders from the TNA, Provincial Councils, and civil society organizations to ensure that fundamental rights of women are included in the Constitution and that gender is considered in budgeting processes at the national and local levels.
 - Support of national workshops on women and the constitution for women leaders from the government, NGOs, and the private sector.
 - Providing advocacy training to women's groups focused on strengthening gender equality provisions and legal rights in the permanent constitution, including property, marriage, and inheritance rights.
 - Conducting seminars for women lawyers on the role of the constitution in protecting citizen rights.

Election Support and Voter Education:

- Conducted 19 voter education workshops on the Constitution in all 18 governorates in Iraq during the reporting period.
- Supported constitutional awareness campaigns through the production and distribution of 1.3 million pamphlets and supplements on the constitution in both Arabic and Kurdish, television broadcast of Town Hall meetings with members of the Constitutional drafting committee, and production and distribution of constitutional posters.
- Provided a \$500,000 grant to the Rafadin Women's Coalition comprised of more than 30 women's organizations to launch conferences, leaflet distribution, media, and television spots promoting women's rights in a constitutional democracy.
- Continued to support the institutional capacity development of the Independent Electoral Commission of Iraq in preparation of the referendum and national elections.

Civil Society and Media Program:

- Conducted over 400 workshops and trainings during the reporting period in the area of media, civic education, women's advocacy, and human rights, of which one-quarter focused on the constitutional drafting process.
- Supported the weekly television production and broadcast of "Our Constitution," a 90-minute program with national coverage to promote the constitutional process, including updates on the constitutional drafting process, discussions with panel experts, and coverage of critical issues, including women's issues and the role of Islam. The program reaches 90 percent of Iraq, and is rebroadcast on the radio.
- Completed initial training of future editorial staff of the planned New Iraq News Agency (NINA). A total of 22 participants improved their news writing skills and knowledge of the function and organization of an innovative and competitive national news vendor with an anticipated 20 core staff. NINA secured premises in the International Zone and Baghdad, and is finalizing an agreement to receive IT training and equipment. NINA plans to launch its operation with coverage of the constitutional referendum scheduled for mid-October.
- Held the second national conference devoted to women issues, entitled "Making Every Voice Count." Some 65 individuals participated from all over Iraq, including members of the TNA and Constitution Drafting Committee. Main topics included the role of media in supporting women's issues; the Iraqi constitution and women's rights; the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW); and the Personal Status Law.
- Held a national conference on incorporating transparency and accountability in the constitution, with over 150 participants representing 76 civil society organizations, academia, government agencies, media, and the Constitution Drafting Committee. Participants developed a series of recommendations, including the need to include strong provisions in the constitution for a free and independent media and an independent financial auditing body. The recommendations were delivered to all 75 members of the constitutional drafting committee and the Speaker of the TNA.
- Distributed 97 small grants valued at \$750,000 to civil society organizations throughout Iraq during the reporting period. One-third of the grants support women's advocacy.

Transition Initiatives (USAID/OTI)

- During this reporting period, USAID/OTI continued to take part in the post-battle reconstruction of Falluja and Ramadi, with total programming since December 2004 reaching \$9.5 million with 96 projects in both cities. Assistance in this reporting period included the implementation of short-term temporary employment activities acting as a means of conflict mitigation, rehabilitation of local government offices, and programs targeted at youth. A number of similar activities are scheduled for implementation in Ramadi in the next quarter.
- Continued to implement activities which generate short-term employment, although average daily employment rates have been dropping on a regular basis as funds are expended. Employment activities in Baghdad have produced an average of 19,700 jobs since inception of these types of conflict mitigation activities in May 2004 – most of which have been

developed in cooperation and coordination with the U.S. Military (1st Cavalry and 3rd Infantry Divisions). Employment initiatives have continued to employ individuals in the post-battle strategic cities of Falluja and also in the far southern provinces of Maysan and Basrah. These areas have a history of neglect by the former regime and remain some of the most violent areas in the south.

- USAID/OTI's emphasis on strategic cities continued to support grass roots civic education and youth activities. Youth focused grants have funded arts, writing, and other cultural and sports programs. They have informed children and adults about children's rights, and encourage young adults to learn about and participate in democracy and government. USAID/OTI supported civic education campaigns throughout Iraq on topics such as gender awareness and representing the positive change in Baghdad. USAID/OTI also supported the handover of the International Iraqi Press Center (IIPC) to the Iraqi General Directorate of Communications. Office equipment provided to IIPC will help sustain their efforts to develop media skills and expertise, while building an independent and free media in Iraq. USAID/OTI has continued programs for college students in Baghdad which provide universities with new education equipment through a democratic and participatory process.

Accomplishments anticipated in next quarter:

Department of State/DRL

- Further award (\$11 million reprogrammed funds) to NED to assist NDI and IRI with their continued support to the Iraqi Transitional Government and the constitution process.
- Continue support to all DRL funded political and voter education and training initiatives leading up to the referendum vote on the constitution in October.
- Continue support to the Iraqi Transitional Government (ITG) by supporting the participation of political parties and civil society organizations in Iraq's political process, to include providing input in the basic law and constitutional process, conducting civic education programs on democracy and the new political process, and participation in elections.
- Support the effort to ensure that political parties, particularly those without representation in parliament, remain constructively engaged in the constitutional process through the deadline for the final approval of the draft constitution in the National Assembly. This will be achieved by promoting and supporting the active engagement of political participation through workshops and educational training.
- Support programs for media training, focus group research, opinion polling, and coalition building.
- Support work that facilitates movement away from ethnic/sectarian political parties and coalitions and toward development of issue-based parties and coalitions that are committed to Iraq's future development as a unified and democratic state and capable of competing effectively in the next national elections. This will be achieved by focusing programs on moderate and democratic political parties and individuals.

Women's Democracy Initiatives (State - DRL & G/IWD):

- Continue renovating a radio station and media production studio.
- Continue providing workshops and training for the political participation of women and local capacity building.
- Continue working with political parties and civil society organizations in developing concrete, organic strategies for including women in political structures.

USAID

Local Governance Program:

- Initiate implementation of action plan for PRDC support to cover nine strategic cities; Baghdad, Mosul, Falluja, Ramadi, Hilla, Ba'quba, Samarra, Najaf, and Tikrit.
- Expand training and technical assistance to key government officials on democratic local governance and delivery of customer-oriented services.
- Conduct dialogues with and between local governments, civil society organizations, and citizens to identify core public services.
- Continue collaboration with national ministries, especially the MMPW, in the implementation of its pilot decentralization project.
- Formulate the structures and scopes of an assessment of local governance in Iraq and national sample survey to assess Iraqi needs, perceptions, and expectations pertaining to local governance.

Community Action Program:

- Complete 244 on-going community-based projects valued in excess of \$18 million.
- Through the business development component of the CAP program, implement 250 new projects which will generate 696 new long-term jobs.

Support to Iraqi Interim and Transitional Government:

- Continue to promote the development of the legislative and policy-development skills of elected members of the National Assembly through the provision of training in areas such as budget review and oversight, conflict management, coalition building, and public speaking.
- Finalize the procurement and installation of computers, laptops, and wireless connectivity for the TNA and voting system. Complete development of robust TNA web site, which can be used by the future parliament, as well, after the TNA ceases operations.

- Continue to provide support to the Executive branch comprised of the Prime Minister's Office, Presidency Council and Council of Ministers through enhanced skill, legislative, and policy development training activities for further capacity building.
- Continue the ongoing TNA staff training in areas including rules of procedure, human resources management, record keeping, and advanced database and network training for TNA staff.
- Subject to the approval of the Speaker of the TNA, begin the establishment of a Legislative Research Unit, similar to the function of the U.S. Library of Congress.

Election Support and Voter Education:

- Provide technical and legal assistance as well as logistical- and operational-planning support to the IECI in support of the constitutional referendum and national elections, both of which are scheduled to occur during the next quarter.
- Conduct 5,000 voter education sessions throughout the country to inform citizens on the content of the new draft Constitution to benefit over 120,000 people.
- Conduct comprehensive public awareness campaign to inform voters of the referendum and national elections through several activities, including town hall meetings, distribution of pamphlets and posters, and airing of public service announcements.
- Train and deploy 5,000 volunteers from over 150 NGOs to observe, monitor, and report on the constitutional referendum.
- Train and deploy 10,000 grassroots volunteers from over 200 nonpartisan NGOs to observe, monitor, and report on the national elections.
- Train and deploy 10,000 political party agent observers to monitor the national elections.

Transition Initiatives (USAID/OTI)

- USAID/OTI will continue short-term employment generation activities across Iraq in priority locations and strategic cities as a means of mitigating conflict and reducing tension.
- USAID/OTI will continue to issue high-impact OTI grants to communities in conflict-prone areas particularly the post battle strategic cities of Falluja, Ramadi, Talafar, Sadr City, and Mosul.
- USAID/OTI will continue support to local Iraqi non-governmental organizations that promote peace, human rights, democratic values, and civic participation.

United States Institute of Peace (USIP)**Project Code: 07000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	10	-	-	-	-	-	10	8	6
Change from July	-	-	-	-	-	-	-	+1	+2
October 2005	10	-	-	-	-	-	10	9	8

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: U.S. Institute of Peace (USIP)**Changes from the July Report:** This report maintains the \$10 million allocated for USIP.**Accomplishments since the July Report:**

- Completed the transfer of the Strategic Economic Needs and Security Exercise (SENSE) conflict management and economic reform simulation to Iraq by supporting a formal simulation led by Iraqi facilitators in Baghdad for members of Iraq's Transitional National Assembly (TNA), mainly women.
- Published and translated into Arabic the first report, entitled "Turkey and Iraq: The Perils (and Prospects) of Proximity", of a series of expert studies of how Iraq's neighbors can help or hinder the country's efforts to stabilize and reconstruct.
- Built capacity in Iraq's education sector through a workshop for Iraqi university faculty and administrators on conflict resolution, peace education, curriculum development, and small organization management strategies (held in Jordan in coordination with the USIP-sponsored conflict resolution unit at the University of Baghdad). Outcome: Conflict resolution units established at Mustansiriyya University (College of Law) and Diwaniya University.
- Supported the Iraqi Institute of Peace outreach to Sunni areas on the Constitutional process.

Accomplishments anticipated in the next quarter:

- Continue to support the inter-religious work of the Iraqi Institute of Peace, including programs to promote sustainable economic development in coordination with conflict resolution and reconciliation activities in Anbar, Kirkuk and Baghdad; thematic forums that aim to prevent future conflict by targeting specific groups and addressing issues that affect those communities in particular; inter-religious and inter-communal dialogues; and facilitation of engagement between political authorities and religious and tribal communities.
- Support Iraqi-led SENSE simulations for the Ministries of Housing and Foreign Affairs
- Convene a high level informal dialogue between senior Iraqi foreign policy and national security officials (and non-officials) and their counterparts in key neighboring states on Iraq's national security as well as security and stability in the region.

- Complete publication and translation into Arabic of a series of expert studies on Iraq and its neighbors, including reports on Iran, Saudi Arabia, Jordan, and Syria.
- Publish and distribute Arabic and English versions of a USIP Special Report on reforming Iraq's education sector.
- Publish and distribute teaching materials in Arabic on international conflict management and resolution.
- Complete Arabic version of distance learning course on conflict analysis.
- Finalize new version of "Guide to International Organizations, NGOs, and the Military in Peace and Humanitarian Operations," to take into account lessons learned in Iraq, with a view to publication in early 2006.
- Complete production of an hour-long Arabic-language documentary on the truth and reconciliation processes of several countries for presentation on Iraqi television and on various community programs.

SECTOR: Electricity

Before the war, Iraq's power plants were able to produce up to 4,400 megawatts (MW). This generation capacity was inequitably distributed with 12-24 hours of power per day available in Baghdad, and 4-12 hours per day in the rest of the country. Immediately following the war in March 2003, Iraq had 2,500 MW of peak generation available.

IRRF projects are intended to provide a level of electricity service to support Iraq's economic recovery. Specifically, the USG reconstruction goal is to restore or add 3,200 MW of generation capacity, sustainably increase Iraq's available peak capacity to 5,500 MW, and to provide a minimum of 12 hours of power per day nationwide. Under IRRF, more than 1,600 MW have been added in new and restored generation, and a further 1,200 MW are scheduled to be added by the spring of 2006. Improvements to the reliability of power plants have added the equivalent of 1,100 MW. The impact of the restored and additional generation capacity has been reduced by a combination of factors, most notably insurgent attacks on fuel oil and gas pipelines supplying power plants. Disruption of fuel supplies force plant shutdowns or result in their use of less efficient and more costly fuels. Attacks on transmission lines and towers have significantly reduced the availability of electricity to ordinary Iraqis, particularly in Baghdad. For example, in August 2005, a coordinated attack on Baghdad's transmission infrastructure triggered multiple regional blackouts and one national blackout. Electricity levels have also been limited by poor operations and maintenance (O&M) practices, which reduces the output of power plants by up to 30 percent. Finally, Iraq's Ministry of Electricity has been hard pressed to meet and dampen rapidly increasing demand, which has grown 23 percent in the last year, as Iraq's economy continues to expand. Improving necessary O&M and institutional capacity within the Ministry of Electricity is significantly cheaper than building new generation, and offers the most rapid and sustainable means of satisfying continued demand increases.

IRMO Electricity is concentrating on the long-term sustainability of completed and nearly completed USG-funded electricity projects with a "build-train-handover" strategy in partnership with the Ministry of Electricity. IRMO, PCO, and USAID are coordinating system-wide to increase sustainment capacity, including O&M and spare parts procurement. The frailty of the electrical system, insufficient Government of Iraq funds, and inadequate local capacity will continue to reduce the effectiveness of USG projects.

Focus on Capacity Development and O&M

In this quarter, the O&M training and capacity building programs instituted by IRMO, PCO, and USAID continue to progress.

USAID

- **O&M Program** (\$118 million), initiated in February 2004, includes the training of 239 Ministry employees, introduction of Ministry of Electricity O&M "Tiger Teams" to assist plant managers, procurement of a significant number of spare parts and provision of maintenance on a number of existing generation units. Tiger Teams consist of engineers, technicians, and plant managers designated to support six key power plants during the summer months of 2005.
- **BearingPoint Phase II Capacity Development Program** with the ME to enhance financial management and budgeting systems, develop new tariffs, enhance billing and metering,

develop regulatory expertise, consult key staff on private investment participation, review human resource organizational options, and other business management activities.

PCO

- **Short and Long Term O&M Programs** (\$103 million) began in June 2005, includes a six-month “Bridge Strategy,” and a one-year on-the-job training (OJT) program using “regional expert” contractors. The longer-term O&M strategy will use regional O&M contractors to form a central engineering group for technical assistance. This contract should be awarded in November.
- **Emergency Spare Parts Program** (\$30 million) started January 2005 to help the Ministry identify critical spare parts, particularly those with long lead times. The Ministry has demonstrated difficulty in managing this process in the past, leading to downtime and reduced generation
- **O&M Phase II** will obligate \$35 million to repair and replace key components at power plants to ensure efficient operation and implement critical preventative maintenance.
- **Project Phoenix Phase III** will obligate \$50 million to rehabilitate 500 MW of generation capacity at power plants and allow fuel diversity.

Most USG reconstruction work contains training components for Ministry of Electricity personnel. The Ministry has highlighted other capacity development needs, such as system planning and control and protection to maintain grid stability and improve the ability to transmit power.

Summer and Winter Action Plans

IRMO’s Summer Action Plan coordinated efforts of the Ministry of Electricity, PCO, USAID, and GRD with the aim of increasing power generation to 5,500 MW to ensure a minimum of 12 hours of power nationwide during the high-demand summer months. The maximum peak capacity achieved by the Ministry of Electricity was 5,390 MW on 13 July. However, insufficient fuel supplies, unscheduled plant outages, inconsistent imports, and insurgent attacks on infrastructure resulted in an average closer to 4,600 MW. The Ministry expended valuable resources to repair towers downed by insurgents, increase fuel deliveries, and restore production lost to O&M deficiencies. As the summer came to an end, IRMO shifted focus to winter 2006 when demand is expected again to break maximum records. The same approach taken for summer 2005 will guide preparation and planning for winter 2006; the six areas of focus are: (1) generation, transmission and distribution projects; (2) O&M and capacity building programs; (3) management of fuel supply; (4) import of power; (5) infrastructure security; and, (6) coordination activities.

Building on lessons learned in electricity reconstruction, the USG is prioritizing strengthening the Ministry of Electricity’s priority O&M capacity and improving the supply of optimal fuels. With more new and repaired power plants returning to service, the availability of appropriate fuels is critical for the plants’ start-ups. Given the dearth and poor quality of fuels, the Ministry will continue to burn suboptimal fuels which reduce plant efficiencies and increase O&M costs.

Appropriate O&M is critical to prevent the deterioration of the generating units and to extend their operational lifespan. Nationwide, poor O&M and lack of planning take up to 30 percent of installed capacity off line at any one time. The Ministry of Electricity does not have the working capital or capacity to undertake necessary O&M practices, especially on technically-complex combustion turbines. Due to Iraqi Government budgetary constraints and the ability of thermal plants to consume a wider range of fuels, the Ministry of Electricity is focusing on O&M in Iraq's thermal plants. A 'request for proposal' has been developed to solicit bids for major rehabilitation and overhaul of the plants in Baiji, Al Musayab, Hartha, Nassriya, Baghdad South, Daura and Najabia. The total name plate capacity of these plants is over 4,000 MW, of which an average of only 1,600 MW is available on a daily basis. IRMO is working with the Ministry of Electricity to develop a fuel quality testing program at the Al Quds Power Plant.

Looking Ahead to 2006

The Ministry of Electricity will continue to address a number of significant challenges in 2006, which are likely to include continued insurgent activities, natural gas and diesel fuel shortages, escalation in planned and unplanned maintenance outages, and the lack of centralized monitoring and control of the power grid. As part of an on-going effort to assist the Ministry in tackling these issues, IRMO will continue to coordinate Government of Iraq, international, and USG electricity agencies to solve technical and operational problems that otherwise linger. As soon-to-be-completed Al Musayab II (500 MW), Haditha (230 MW), Baghdad South (400 MW), and Samarra (340 MW) Power Plants prepare for commissioning, ensuring adequate fuel supplies becomes critical to maximize electricity generation.

In 2006, the Ministry of Electricity aims to increase electricity service and availability in all regions in Iraq, and sustainably raise generation capacity to 6,000 MW. To further increase electricity levels, the Ministry plans to import 500 MW from Iran and 800 MW from Turkey in time for summer 2006. Over the next year, the combination of new generation and imported electricity from Iran and Turkey is expected to add 2,770 MW to the grid).

Generation

Project Code: 40000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	1,870	-272	-	-	-	-	1,598	1,327	806
Change from July	-	-	+10	-	-	-	+10	-53	+249
October 2005	1,870	-272	10	-	-	-	1,608	1,274	1,055

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July Report: This report notifies Congress of the Administration's intent to increase this project code by \$10 million to fund the purchase of critical spare parts and equipment for the Power O&M Program implemented under this project code (PC 40000). Approximately \$3.9 million is from Vocational Training (PC 02001) and approximately \$6.1 million is from Market-Based Reforms (PC 03500).

Accomplishments since the July Report:

PCO

- Completed the engineering, design, and procurement of the Khor Al Zubayr New Generation Project and advanced its construction to 75% completion. This facility will add 246 de-rated MW of new electrical power by the winter peak demand.
- Completed the rehabilitation and commissioning of the remaining Project Phoenix I units. Two General Electric (GE) LM-6000 units and one GE Frame 9 at Qudas were commissioned, restoring 156 de-rated MW of electrical power with the capacity to serve 141,000 Iraqi homes. At Nassriya, one GE Frame 6B was commissioned, restoring 28 de-rated MW of electrical power. One GE Frame 5 unit at Shuaiba was commissioned, restoring 21.5 de-rated MW with the capacity to serve 19,000 Iraqi homes. At Mosul East, the commissioning of four RR Avon units was completed, which restored 55 de-rated MW of electrical power.
- Completed six weeks of training of Iraqi technicians for the four newly commissioned LM-6000 units at Qudas.
- Initiated the rehabilitation and commissioning of Project Phoenix II units. The mobilization for the rehabilitation of three GE Frame 5 units at Petro Chemical Power Plant (PTCH) was completed. This project will restore 64.5 de-rated MW of electrical power. At the Baiji Power Plant, progress continues on the replacement of one rotor for a GE LM-2500 to restore 22 de-rated MW of electrical power.
- Developed the scope of work and tasking documents for Project Phoenix III projects, including:
 - The East Baghdad Oil-Gas project will provide fuel to the geographically-adjacent Qudas Power Plant.
 - The maintenance upgrade of two Siemens V94.2s combustion turbines at the Baiji Power Plant will improve the 240 de-rated MW of electrical power currently delivered. Rehabilitation work is planned for two Baiji LM-2500 units to enhance their sustainability.
 - The repair of one GE Frame 5 unit at Mosul Power Plant will restore 21.5 de-rated MW of electrical power.
 - The maintenance of one GE Frame 6 unit at New Mulla Power Plant will restore 21.5 de-rated MW of electrical power.
- Continued to procure critical spare parts under Emergency Spare Parts Program.
- Continued the O&M Bridge Plan and solicited the long-range O&M program to a regional contractor to form a central engineering group for technical assistance to the Ministry of Electricity (ME). The Bridge Plan provides immediate technical assistance to the Ministry at various generation plants to expedite the return of available MWs to the national grid. The

plan provides much needed maintenance training, emergency spare parts, consumables, and specialized maintenance tools. The long-range program provides extended technical assistance to the Ministry to build the capacity of their O&M programs. Technical experts will train and mentor Ministry personnel in proper inspections and maintenance procedures for sophisticated gas turbine generation equipment and established thermal power plants. The plan will also establish a centralized O&M facility where Ministry personnel can remotely monitor the performance characteristics of individual gas turbine generators, allowing for effective management of the electrical system.

USAID

- Commissioned two new generating units at Baghdad South Power Plant, on diesel, adding 216 rated MW capacity. This was accomplished a month ahead of schedule, and the units have provided power to Baghdad during the very difficult summer peak.
- Successfully achieved the initial firing of the 260 MW Siemens V94 at Kirkuk Power Plant.
- Completed delivery of two new 120 MW GE Frame 9 combustion turbines and associated accessories to the Ministry of Electricity. These units are expected to be installed by the Ministry at Najaf Power Plant.
- Completed placement of orders for critical combustion turbine spare parts at various power plants, as part of the \$118 million Electricity O&M project. These orders were based on needs as identified by the Ministry of Electricity.

Accomplishments anticipated in the next quarter:

PCO

- Complete the construction and commission of the Khor Al Zubayr New Generation Project.
- Complete the rehabilitation and commission of Project Phoenix II at Shuaiba Power Plant.
- Progress on the rehabilitation and commission of Project Phoenix III projects at Baghdad East, Baiji, Mosul, and New Mulla Power Plants.
- Advance the O&M Bridge Plan and long-range O&M program.
- Complete the procurement of critical spare parts under the Emergency Spare Parts Program.

USAID

- Complete the commissioning of the two new generating units at Baghdad South Power Plant using heavy fuel oil.
- Commission the new 260 MW Siemens V94 combustion turbine at generator at Kirkuk Power Plant.
- Bring on-line Unit 5 turbine generator at Daura Power Plant.

- Deliver transformers associated with the two new 108 MW GE combustion turbines that are expected to be installed at Najaf Power Plant. The delivery will complete the redistribution of equipment USAID purchases from the de-scoped Mansuriah New Gas Generation Project.
- Complete the O&M project by delivering final critical spare parts to the Ministry of Electricity.

Transmission

Project Code: 41000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	783	477	-	-	-	-	1,260	454	225
Change from July	-	-	-18	-	-	-	-18	+5	+43
October 2005	783	477	-18	-	-	-	1,242	459	268

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July report: Consistent with a previous notification to Congress, this report reflects the reallocation of \$18 million to Democracy Building Activities (PC 06000).

Accomplishments since the July Report:

PCO

- Started and completed construction of projects in the following task orders:

Accomplishments 4th Quarter FY 2005 Project Status								
Task Order	Description	Governorate	Const. Start Date	Const. Completion Date	% Complete (9/30/05)	# of projects in task order		
						Total	Starts	Complete *
ET-008	Haditha-Qaim 400kV OHL	Al Anbar	07/27/05	12/12/05	25%	1	1/1	0/0
ET-012	Baghdad West et.al.	Baghdad	12/22/04	12/12/05	50%	3	3/0	1/1

NOTE: Starts: Total Starts/Starts in Quarter
Completes: Total Completes/Completes in Quarter

- Commenced work and delivered 80 percent of the towers, conductors, and accessories for the Haditha-Qaim 400 kilovolt (kV) overhead transmission line. Worker intimidation by insurgents, however, resulted in the suspension of work on the line. Although the same situation exists at the Haditha Dam switchyard, construction has progressed because workers are protected.
- Revised the contracting strategy for the remaining transmission work from indefinite delivery, indefinite quantity cost-plus to firm-fixed priced contracting. As a result, the project was delayed to implement firm-fixed priced solicitations for tenders in accordance with FAR procedures. Additional projects delays this quarter: Mosul Substation

rehabilitation, Rasheed 400kV Substation rehabilitation, Al Anbar – Ten 132 kV Substation rehabilitation, Falluja and Al Anbar 132kV Substations rehabilitation, Mosul Gas/Mosul East 132kV Substation rehabilitation, CPS 1-132kV S/S rehabilitation, and Jameela 132kV Substation extensions.

- Delayed work on the Baiji-Haditha 400kV overhead line due to security problems but completed designs and procurements, and delivered associated materials.
- Completed the evaluations and negotiations and awarded ET-021, Diyala 400kV Substation, to the Design-Build contractor.
- Coordinated with the Ministry of Electricity to revise the scope of work (without affecting the price) for the Falluja 132kV Substation. The project is now being re-solicited because of budgetary constraints.
- Completed the solicitation, tender evaluation and award on the following projects:
 - Mosul Substation extension
 - Garma 132 kV Substation rehabilitation
 - Toba 132 kV Substation rehabilitation
 - Harbour 132 kV Substation rehabilitation
 - Hammar 132 kV Substation rehabilitation
 - Qurna 132 kV Substation rehabilitation
 - CPS 1-4, 6 and 9 132 kV Substation rehabilitation
 - Rasheed 400 kV Substation rehabilitation
 - Mobile Al Qaim Pumping Station 132 kV Substation rehabilitation
 - Umm Qasr 132kV Substation rehabilitation
 - Baiji Gas to Thermal Power Plant Connection
- Commenced the solicitations and tender evaluations:
 - Khor to Nassriya No.2 400 kV overhead line
 - Khor 400 kV Substation extension
 - Qadisiya 400 kV Substation rehabilitation and expansion
 - Nassriya to Qadisiya 400 kV overhead line

- Nassriya 400kV Substation rehabilitation and expansion
- Quarna (Amara) 400 kV Substation expansion
- Babil to Karbala 132 kV overhead line No.1 and 2
- Hilla South to Hashemiya overhead line No.1 and 2 rebuild
- Hashemiya to Shamiya No.1 and 2 rebuild
- Completed the scopes of work for the following yet-to-be-funded projects, which are ready for solicitation:
 - Qaraqosh to Mosul East 132 kV overhead line
 - Yarmicha to Mosul East 132 kV overhead line
 - Wasit 400 kV Substation rehabilitation
 - East Sulaymaniyah New Substation
 - Dahuk to Mosul Dam 132 kV overhead line
 - Choaraqurna (Kallar) 132 kV Substation extension
 - Mosul to Erbil to Tameen 400 kV overhead line
 - Kirkuk to Diyala No.1 132 kV overhead line
- Refined execution strategies to meet end-state transmission conditions based on models developed by simulation software.
- Completed a comprehensive review of the 400kV and 132kV transmission network, allowing for prioritization of the remaining work.
- Initiated a grant program with the Ministry of Electricity to construct the Najaf 132kV Substation and the Hartha to Khor 400kV overhead line No. 2. The grants define conditions for construction and PCO will maintain financial controls during the construction.

Accomplishments anticipated in the next quarter:

PCO

- Commence 13 projects, advance projects under construction, and complete four others. Project construction starts and completions anticipated next quarter are as follows:

Anticipated 1st Quarter FY 2006 Project Status								
Task Order	Description	Governorate	TO Start Date	Completion Date	% Complete (12/31/05)	# of projects in task order		
						Total	Starts	Complete *
ET-008	Haditha-Qaim 400kV OHL	Al Anbar	07/27/05	12/12/05	40%	1	1/0	1/1
ET-010	Baghdad East Substation	Baghdad	11/19/05	04/10/06	25%	4	4/3	0/0
ET-011	Haditha/Baiji OHL	Salah Ad Din	10/04/05	02/20/06	50%	1	1/1	0/0
ET-012	Baghdad West et.al.	Baghdad	12/22/04	2/5/16	65%	3	3/0	2/1
ET-014	Baghdad East/Ba'quba East SS Rehab	Baghdad	04/08/05	1221/05	100%	2	2/0	2/2
ET-021	Diyala Rehab Substation	Diyala	12/29/05	08/08/06	4%	1	1/1	0/0
ET-700	Transmission Substation Rehabilitation Southern Governorates	Basrah	10/18/05	11/28/06	30%	13	1/1	0/0
ET-715	CPS-9 132KV S/S Rehab	Basrah	11/08/05	11/04/06	20%	6	1/1	0/0
ET-741	Qurna Rehab 132KV	Basrah	11/04/05	09/14/06	35%	5	3/3	0/0
ET-800	Transmission Substation Rehabilitation Anbar/Baghdad Governorate	Al Anbar	12/16/05	9/15/06	20%	7	2/2	0/0
ET-900	Transmission Rehabilitation Substation & Overhead Lines	Ninawa	12/16/05	09/16/06	25%	3	1/1	0/0

NOTE: Starts: Total Starts/Starts in Quarter
Completes: Total Completes/Completes in Quarter

- Complete the tender evaluations and award the following projects:
 - Khor to Nassriya 400 kV overhead line No.2
 - Khor 400 kV Substation extension
 - Qadisiya 400 kV Substation rehabilitation and expansion
 - Nassriya to Qadisiya 400kV overhead line
 - Nassriya 400 kV Substation rehabilitation and expansion
 - Quarna (Amara) 400 kV Substation expansion
 - Babil to Karbala 132 kV overhead line No.1 and 2
 - Hilla South to Hashemiya overhead line No.1 and 2 rebuild
 - Hashemiya to Shamiya No.1 and 2 rebuild

Distribution Network Infrastructure
Project Code: 42000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	987	302	-	-	-	-	1,289	761	169
Change from July	-	-	-	-	-	-	-	+62	+89
October 2005	987	302	-	-	-	-	1,289	823	258

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July report: This report maintains the \$1,289 million allocated for electrical Distribution Network Infrastructure.

Accomplishments since the July Report:

PCO

- Started 32 new projects, advanced projects under construction, and completed 10 projects. Task orders with project starts and completions in the quarter are listed below with their current status:

Accomplishments 4th Quarter FY 2005								
Task Order	Description	Governorate	TO Start Date	Completion Date of TO	% Complete (9/30/05)	# of projects in task order Total Starts Complete *		
ED-006	Wasit Distribution Network	Wasit	12/27/05	11/19/05	85%	8	8/1	0/0
ED-007	Dahuk - Distribution Network	Dahuk	01/15/05	12/12/05	50%	4	4/2	0/0
ED-008	Erbil Distribution Network	Erbil	09/22/04	11/28/05	60%	14	11/5	1/1
ED-009	Ninawa Distribution Network	Ninawa	03/07/05	08/28/06	60%	10	3/2	0/0
ED-010	Salah Al Din Distribution Network	Salah Al Din	02/21/05	12/08/05	40%	17	5/3	0/0
ED-011	Sulaymaniyah - Distribution Network	Sulaymaniyah	05/04/05	01/28/06	40%	3	3/2	0/0
ED-013	Al Tameen Distribution Network	Al Tameen	06/05/05	02/10/06	35%	4	4/3	0/0
ED-015	Al Anbar Substations and Feeders	Al Anbar	06/05/05	06/27/06	25%	4	2/1	0/0
ED-017	Basrah Distribution Network	Basrah	11/29/04	07/31/05	85%	5	5/0	1/1
ED-028	Baghdad Feeder Cables	Baghdad	07/01/04	01/22/06	90%	19	17/1	15/1
ED-200	Local Distribution Network - North	Northern, Multiple	01/27/05	08/13/06	30%	18	9/2	6/5
ED-300	Local Distribution Network - South	Southern, Multiple	01/11/05	05/27/06	20%	35	6/2	2/0
ED-400	Local Distribution Network - Central	Central, Multiple	11/20/04	07/28/06	65%	33	23/1	16/2
ED-500	Local Distribution Network - Baghdad	Baghdad	02/01/05	12/08/05	60%	25	15/7	8/0

NOTE: Starts: Total Starts/Starts in Quarter;
 Completes: Total Completes/Completes in Quarter

- Continued the training of Ministry of Electricity personnel in substation O&M for those currently under construction.

USAID

- Completed the turnover of major equipment to the Ministry of Electricity for 12 substations in Baghdad, currently under construction.
- Completed the rebuilding of 15 of the 25 Baghdad substations remaining in USAID's scope of distribution work..

Note: Some substation sites are staged to facilitate a partial early energizing.

	Rusafa District	Karkh District
July	Jadiria (Summer Site) Selekh (Summer Site)	Tib Al Baytari (Stage 1 Summer Site) Aweerj (Stage 1 Summer Site)
August	Kulia Al Fania Asbest (Summer Site) Rekehta	Sab Al Bor (Summer Site) Aweerj (Stage 2 Summer Site)
September	Hammad Shihub Obaydi Rashid Camp	Hassan Bin Al Haythem Doura Al Tawesea Ghazalia Tamiya Tib Al Baytari (Stage 2 Summer Site)

Accomplishments anticipated in the next quarter:

PCO

- Continue to advance the projects under construction. Anticipate 63 project starts and 70 project completions as listed below:

Anticipated 1st Quarter FY 2006 Project Status								
Task Order	Description	Governorate	TO Start Date	Completion Date of TO	% Complete (12/31/05)	# of projects in task order		
						Total	Starts	Complete *
ED-005	Diyala Distribution Network	Diyala	12/30/04	12/18/05	100%	7	7/0	7/7
ED-006	Wasit Distribution Network	Wasit	12/27/05	11/19/05	100%	8	8/0	8/8
ED-007	Dahuk-Distribution Network	Dahuk	01/15/05	12/12/05	70%	4	4/0	2/2
ED-008	Erbil Distribution Network	Erbil	09/22/04	11/28/05	60%	14	14/3	14/13
ED-009	Ninawa Distribution Network	Ninawa	03/07/05	08/28/06	60%	10	8/5	2/2
ED-010	Salah Al Din Distribution Network	Salah Al Din	02/21/05	12/08/05	40%	6	6/1	3/3
ED-013	Al Tameen Distribution Network	Al Tameen	06/05/05	02/10/06	35%	4	6/0	1/1
ED-015	Al Anbar Substations and Feeders	Al Anbar	06/05/05	06/27/06	55%	4	4/1	0/0
ED-016	Babil Distribution Network	Babil	01/09/05	11/27/05	100%	8	7/0	7/7
ED-017	Basrah Distribution Network	Basrah	11/29/04	11/30/05	100%	5	5/0	5/4
ED-028	Baghdad Feeder Cables	Baghdad	07/01/04	01/22/06	90%	19	19/2	17/1
ED-031	Falluja Residential Power	Al Anbar	03/11/05	03/25/06	90%	10	9/4	5/2
ED-200	Local Distribution Network - North	Northern, Multiple	01/27/05	08/13/06	55%	18	16/7	8/2

ED-300	Local Distribution Network - South	Southern, Multiple	01/11/05	05/27/06	55%	35	34/28	5/3
ED-400	Local Distribution Network – Central	Central, Multiple	11/20/04	07/28/06	75%	33	27/4	23/5
ED-500	Local Distribution Network – Baghdad	Baghdad	02/01/05	4/15/06	77%	24	23/8	18/10

NOTE: Starts: Total Starts/Starts in Quarter;
Completes: Total Completes/Completes in Quarter

USAID

- Complete the rebuilding of the remaining 10 distribution substations in Baghdad.

Automated Monitoring and Control System

Project Code: 43000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	150	-23	-	-	-	-	127	93	7
Change from July	-	-	-	-	-	-	-	+2	+5
October 2005	150	-23	-	-	-	-	127	95	12

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$127 million allocated for the automated monitoring and control system.

Accomplishments since the July Report:

PCO

- Completed 60 percent of the detailed designs for the power line carrier (PLC) network, microwave, ultra-high frequency (UHF), radio, and the supervisory control and data acquisition (SCADA) system.
- Continued the manufacture of the remote terminal units (RTU), PLCs, UHF radios, and SCADA equipment.
- Awarded subcontracts for the construction of the national PLC, UHF, and SCADA systems, including confirmation of the construction schedules.
- Completed 50 percent of the factor acceptance tests and shipments of the PLC components and RTUs.
- Initiated operator training for the Ministry of Electricity's personnel in Cairo, Egypt.

Accomplishments anticipated in the next quarter:

PCO

- Start construction of the three regional control centers, national power line carrier network, and regional wireless communications network.
- Complete the factory acceptance testing and deliveries of the PLC, RTU, microwave, and UHF equipment.
- Factory-test and deliver the master SCADA equipment to the three regional control centers.
- Start the training of Iraqi technicians in Minneapolis and complete the training of operators in Cairo, Egypt.

Security

Project Code: 45000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	
2207 Report									
July 2005	50	-6	-	-	-	-	44	44	43
Change from July	-	-	-	-	-	-	-	-1	-
October 2005	50	-6	-	-	-	-	44	43	43

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$44 million allocated for security. Balance of funding will be identified and moved to close out this project code.

Accomplishments since the July Report:

- There are no further activities in this project code.

Accomplishments anticipated in the next quarter:

- There are no further activities in this project code.

SECTOR: Oil Infrastructure

Oil accounts for 94% of the Iraqi Government's revenue. In 2004, Iraq earned \$17.5 billion from oil exports, and the ITG has estimated it may earn as much as \$23 billion in 2005. Crude oil production and exports remain essentially unchanged from the last quarter, at about 2.14 and 1.4 million barrels per day (bpd) respectively, which remains below the post-war peak production level of 2.54 million bpd achieved in September 2004. Through the first six months of this year, virtually all of Iraq's exports have come from the south. Iraq needs significant new investment in its oil fields to increase output capacity. A combination of insurgent attacks, dilapidated infrastructure and poor operations and maintenance have hindered domestic refining, requiring Iraq to import significant portions of its LPG, gasoline, kerosene and diesel.

Crude Oil Production & Exports			
Millions of barrels per day (bpd)	July	August	September - estimated
Crude Production	2.18	2.116	2.1
Crude Exports	1.58	1.53	1.4

IRRF projects have concentrated on repairing key export and domestic pipeline infrastructure, maintaining production at a major field in the south, and improving the oil export terminal facilities in the south.

During this quarter, crude oil exports resumed to Turkey via the northern crude pipeline, with sales to international and Turkish oil companies. Repeated insurgent attacks on the northern, southern and central pipeline systems continued to impede shipments of crude to domestic refineries, while also limiting Iraq's ability to export through the northern pipeline. A mix of insurgent attacks, poor maintenance and dilapidated equipment caused electricity outages and operational problems that caused the northern and southern refineries to operate below their capacity. The reduced refining capacity coupled with surging demand resulted in the importation of a significant amount of refined products into Iraq, with a projected cost of \$4 billion this year. Construction is 25% complete at the critical Al Fatha oil pipeline crossing, while the Kirkuk Canal crossing is more than 75% complete. The temporary pipelines have not been removed from the bridge due to the delay in negotiating the final contract as well as a re-prioritization of the work after construction commenced.

In terms of maintaining or expanding oil production, the completed gas-oil separation plant projects in the north have added 200,000 bpd of crude oil capacity supporting the resumption of exports through Turkey. Water injection facility projects in the south are averaging 560,000 bpd helping to restore reservoir pressure in one of Iraq's largest southern fields to support current oil production levels. The last of the water injection cluster pump stations (CPS), CPS-5, was completed by September 30 and handed over to the Southern Oil Company. Repairs to CPS-6 have been completed. All remaining work on the Kellogg, Brown & Root (KBR) phase of Qarmat Ali Water Injection is now completed and the Parsons Iraq Joint Venture (PIJV) phase is about to begin. Portions of this new task order will be re-scoped to include heavier emphasis on Capacity Development to enable South Oil Company to sustain what is already in place. PIJV has now opened a camp in Basrah and has started work on their southern projects. Construction has started on the refurbishment of Berths 1 and 2 loading arms, the first phase of work to restore al-Basrah Oil Terminal (ABOT). Design/build contracts (D/B), PIJV and KBR, are experiencing slow vendor response to inquiries and requests for quotations, significantly extending the deliveries of critical items and stretching completion dates well into 2006 for key projects.

During the period July – September, all 34 remaining construction projects were definitized for \$110 million. All Administrative Task Orders required through the end of the Oil Program were definitized. No projects remain to be definitized.

Oil Infrastructure
Project Code: 50000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	1,200	497	-	-	-	-	1,697	1,100	343
Change from July	-	-	-	-	-	-	-	+112	+171
October 2005	1,200	497	-	-	-	-	1,697	1,212	514

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and the U.S. Army Corps of Engineers.

Changes from the July Report: This report maintains the \$1,697 million allocated for oil infrastructure projects.

Accomplishments since the July Report:

- Commenced construction on the \$85 million pipeline crossing of the Tigris River at Al Fatha on June 24th. A 35-day acceleration to the schedule was approved by PCO to reduce the risk to the construction schedule from seasonal winter increases in river depth. The majority of heavy equipment was delivered to site in August and work commenced on the River Trenching and Right of Way for the pipe crossing. The security perimeter for the project was expanded in cooperation with MNF-I to help protect the pipelines and construction area at Al Fatha. This project is expected to be completed in four months. When completed, these pipes will allow increased supply of oil to the Bayji refinery, reducing the need for imported oil products. It will also increase Iraq's ability to export oil north through Turkey.
- Negotiated and definitized ABOT (\$39 million). An aggressive schedule has been produced to complete the most critical works (Phase 1) prior to the bad weather from November to January 2006. Subcontract negotiations were completed and construction has started on the Loading Arms for Berths 1 and 2 on September 10th.
- Definitized all remaining projects, including the eight Administrative Task Orders from the D/B contractors to finish out the Oil Program in 2006.
- Completed all remaining work on the KBR portion of Qarmat Ali Projects. PIJV has completed the project scope summary report (PSSR) for the next phase of work on Qarmat Ali Pressure Maintenance.
- Commenced construction on natural gas liquids/liquefied petroleum gas projects.

- Established PIJV camp facility and office in Basrah to support their southern projects.
- Completed North Oil Company Gas Turbines 1 and 2 and South Oil Company CPS (cluster pump stations) -5 projects and repairs to CPS-6.
- Completed training for North Oil Company and North Gas Company Lab Equipment in Houston, South Oil Company and South Gas Company TM-2500 gas turbine training in Basrah, and North Oil Company Digital Control System training in Amman.

Accomplishments anticipated in the next quarter:

- Complete all construction for al-Basrah Oil Terminal (ABOT) Phase I, which includes Loading Arm Refurbishment, Berths 1 and 2, and Fire Protection.
- Begin work on Qarmat Ali Pressure Maintenance Project. This project will sustain oil production in one of Iraq's biggest southern fields.
- Begin construction on Emergency Power at CPS-5, Package Injection Refinery Pumps, North Gas Company Gas Leak Detection System, and al-Basrah (AB)-2 Compressor Station.
- Complete AB-8 Compressor Station, Baba Wet Crude Unit, Naft Khanah Gas Oil Separator, Jabal Bur Degassing Station, Al Fatha Canal Crossings, Iraq Turkey Pipeline Telecom, purchase four spare generators for storage, North Gas Company Lab Equipment, and North Oil Company Well Workovers.

Emergency Supplies of Refined Petroleum Products

Project Code: 51000

In 2003 and 2004, CPA provided limited support to assist Iraq in importing critical refined oil products to meet domestic demand. Since August 2004, the USG has not imported any products on behalf of the ITG.

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	501	-475	-	-	-	-	26	26	5
Change from July	-	-	-	-	-	-	-	-2	+1
October 2005	501	-475	-	-	-	-	26	24	6

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Defense Energy Support Center (DESC).

Changes from the July Report: This report maintains the \$26 million allocated for emergency supplies of refined petroleum products.

Accomplishments since the July Report:

- Continue to close-out contracts paying or denying claims made by fuel truck owners for equipment losses.

Accomplishments anticipated in the next quarter:

- DESC will continue to review, negotiate and pay claims. DESC expects to settle all claims with available funds.

Sector: Water Resources and Sanitation

The Public Works and Water (PWW) Water Resources and Sanitation Sector has continued the progression from the planning and design phases to project execution and transition phases. The USG has continued to adjust the spending program, focusing on construction, maintenance and sustainment of current project without major reallocations of funds or apportionments for new projects. As a result, the rate of obligations and disbursements has slowed during the quarter.

Some of the larger water and wastewater treatment facilities rehabilitated by the USG have not been commissioned or operated on a continuous basis, due to the Iraqi ministries' lack of adequate institutional capability for operations and maintenance. As a result, the local population has not consistently realized direct benefits from the facilities.

To assist the Iraqis, the USG has begun several initiatives to assist the relevant Iraqi ministries: the USAID Water Sector Institutional Strengthening (WSIS) program; the PCO Municipalities and Public Works Management Systems Training Program; the Capacity Building Initiative Program; and the Standard Design Package Development Programs. These programs focus on building capacity from the treatment plant level to the middle management level in the Ministry of Municipalities and Public Works (MMPW).

In addition, operations and maintenance budgets for MMPW's water and wastewater treatment facilities have been developed submitted to assist the Ministry's preparation of proper 2006 budgets. These activities are underway as part of the overall O&M Planning and Budgeting Structure Initiative, which focuses on development of a sustainable O&M organization within MMPW.

Small, rapid projects have been implemented successfully and provided substantial benefits for the Iraqi people. In coming months, the USG will place additional emphasis on smaller projects which will provide benefits quickly and may demand less funding for sustainment from MMPW and the city of Baghdad.

For some larger projects currently in the design phase, several alternatives may be pursued to conserve USG funds: use of standard designs in project construction; use of a grant mechanism with the Iraqi ministries in order to leverage their knowledge of Iraqi contractors (a mechanism successfully pioneered in road construction); USG procurement of equipment and materials only, leaving the Iraqi ministries to provide and procure construction labor and services; finally encouraging other international donors to focus resources on Iraq's water and sanitation sector.

Both MMPW and the Ministry of Water Resources participated in the International Reconstruction Funding Facility for Iraq (IRFFI) Donors meeting in Jordan in mid-July. Both Ministries provided handout packages containing listings and details of prioritized projects for which they are seeking funding. Representatives of both Ministries also met with donor nation representatives to discuss funding needs for water and wastewater infrastructure. During the period, insurgents conducted several attacks on water infrastructure, primarily within the city of Baghdad. These attacks have led to expanded efforts to strengthen security for strategic water infrastructure, not only in Baghdad, but throughout the country.

PUBLIC WORKS PROJECTS

Potable Water

Project Code: 60000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	891	592	-	-	-	-	1,483	869	148
Change from July	-	-	-	-	-	-	-	+113	+117
October 2005	891	592	-	-	-	-	1,483	982	265

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July Report: This report maintains the \$1,483 million allocated for Potable Water. At completion of the potable water projects, an estimated total population of 9.1 million will benefit.

Accomplishments since the July Report:

PCO

- Awarded 28 projects under the small water projects task order Potable Water Rehabilitation PW 90 and completed 26 projects, benefiting an estimated 500,000 Iraqis.
- Awarded seven small water projects in Basrah as part of the Basrah Water Supply program.
- Completed construction on Ba'quba Water and Sewer Rehabilitation, benefiting 200,000 Iraqis.

USAID

- Initiated rescoped Rural Water Project. Commenced construction at 38 of the planned 48 Phase I sites.
- Deployed Water and Sanitation Institutional Strengthening (WSIS) contractors and commissioned the initial two Water Treatment Plants (WTPs), Dujayl and Sharq Dijlah Expansion.
- Completed last 35 kilometers of Baghdad Potable Water Distribution Main restoration, for a final restored total of 99 kilometers, a nearly 40% increase over the original scope. Completed 12,000 of the projected 15,500 house connections, resulting in restored or improved service to approximately 180,000 Sadr City residents.
- Completed foundation piling work and initiated major plant construction at Sadr City WTP and the new raw water intake at Sharq Dijlah WTP.

- Completed installation of all ten new compact units at Karbala Water Treatment Plant a month ahead of schedule. Commenced 100% treated water flow during the height of the summer demand and holy pilgrimages.
- Completed 18 potable water projects under the Community Action Program (CAP) valued at \$939,432. Illustrative projects include extending internal water network to provide all houses in Shwan subdistrict with drinking water; installing a water network to supply potable water to 1,500 Tawela returnees and to reduce the burden on women carrying water to their homes from distant unclean sources.

PCO

Accomplishments anticipated in next quarter:

- Award 19 projects and complete 26 small water projects .
- Implement acquisition strategy to complete design and construct Najaf and Dokan-Sulaymaniyah water treatment plants as firm fixed priced contracts.
- Award four projects and complete four small water projects in Basrah.
- Complete six small water projects in rural Anbar Governorate.
- Complete rehabilitation of the Wathba and Wadha water treatment plants serving Baghdad residents.
- Complete design of Zobediah, Majer, and Meshkhab water treatment plants under the Standard Design Initiatives project.

USAID

- Commence construction at all Rural Water sites (minimum 68) around the country.
- Complete ten of 68 Rural Water sites.
- Commence WSIS contractor work at all potable water facilities. Initially targeted at 20.
- Complete eight new CAP projects valued at \$436,568.

Water Conservation

Project Code: 61000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	31	-	-	-	-	-	31	23	6
Change from July	-	-	-	-	-	-	-	+4	+7
October 2005	31	-	-	-	-	-	31	27	19

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$31 million allocated for water conservation.

Accomplishments since the July Report:

- Completed construction or rehabilitation of five of the eight planned water distribution facilities in Erbil, Basrah, Baghdad, Sulaymaniyah, and Hilla as part of the water conservation network program.
- Delivered \$6 million in materials and tools as part of the water conservation network program to seven of the 17 planned cities.
- Provided training and completed repairs to water network systems in nine of the planned 17 cities, improving service to 1.17 million people.
- Completed five of eight planned water distribution centers, formerly called technical learning centers.

Accomplishments anticipated in next quarter:

- Complete construction of one of the eight planned water distribution facilities in Falluja. Renegotiate award of one of the remaining facilities in Najaf and tender the last facility in Samarra.
- Deliver the remaining \$6 million in materials and tools as part of the water conservation network program to six more of the 17 planned cities.
- Provide training and complete repairs to water network systems in six more of the 17 planned cities.

Sewerage
Project Code: 62000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	205	30	-	-	-	-	235	188	26
Change from July	-	-	-	-	-	-	-	+35	+23
October 2005	205	30	-	-	-	-	235	223	49

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July Report: This report maintains the \$235 million allocated for Sewerage. At completion of the sewerage projects, an estimated total population of 8.8 million will be served.

Accomplishments since the July Report:

PCO

- Completed construction of the priority network collection system in Falluja. The wastewater treatment plant and balance of collection system have been suspended until additional funding is sourced.
- Continued construction on the Basrah sewer rehabilitation, currently 16% complete.

USAID

- Issued requests for proposals (RFPs) for Iraqi contractors to provide Water and Sanitation Institutional Strengthening (WSIS) support services at sewerage sites.
- Deployed WSIS contractors and commenced operations at initial six sewage treatment plants (Najaf, Dujayl, Rustimiyah North, Rustimiyah South, Diwaniya, and Hilla).
- Initiated construction on the Habibiya Retention Pond work site and placed orders for the transfer pump equipment.
- Completed Kadhimiya Sewer Trunk Line.
- Completed two sanitation projects under the CAP, including the creation of an outlet on Al-Risasy River and digging a channel to provide irrigation water for more than 1,500 dunums (150 hectares) of agricultural land in Samarra.

Accomplishments anticipated in next quarter:

PCO

- Continue coordination with Ministry of Municipalities and Public Works and U.S. military to provide a completion plan for Falluja sewerage system.
- Continue construction on the Basrah sewer rehabilitation; estimated 30% complete end of December.

USAID

- Commence WSIS at all Sewage/Waste Water Treatment Plants (WWTPs). (Basrah and Karbala)
- Complete seven CAP projects valued at over \$550,000.

Other Solid Waste Management
Project Code: 63000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	21	-10	-	-	-	-	11	11	1
Change from July	-	-	-	-	-	-	-	-	-
October 2005	21	-10	-	-	-	-	11	11	1

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID.

Changes from the July Report: This report maintains the \$11 million allocated to other solid waste management.

Accomplishments since the July Report:

- Completed turnover of operating equipment to Kirkuk Governorate.

Accomplishments anticipated in next quarter:

- There are no further activities in this project code and this project will be closed out.

WATER RESOURCE PROJECTS

Pumping Stations and Generators
Project Code: 64000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	157	-34	-	-	-	-	123	102	16
Change from July	-	-	-	-	-	-	-	+3	+13
October 2005	157	-34	-	-	-	-	123	105	29

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July Report: This report maintains the \$123 million allocated for pump stations and generators.

Accomplishments since the July Report:

PCO

- Continued assessment of existing equipment at Nassriya Drainage Pump Station, currently 25% complete.
- Commenced construction of Nassriya Drainage Pump Station, currently 3% complete.

USAID

- Delayed transport of pumps prevented turn over of equipment packages, meant to rehabilitate key components of Ministry of Water Resources' Irrigation Pump Stations and Wadha Pump Stations.

Accomplishments anticipated in next quarter:

PCO

- Continue assessment of existing equipment at Nassriya Drainage Pump Station, estimated 50% complete end of December.
- Continue construction on Nassriya Drainage Pump Station, estimated 15% complete end of December.

USAID

- Turn over equipment packages to rehabilitate key components of Ministry of Water Resources' Irrigation Pump Stations and Wadha Pump Stations.

Irrigation and Drainage Project Code: 65000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	7	31	-	-	-	-	38	32	2
Change from July	-	-	-	-	-	-	-	+1	+2
October 2005	7	31	-	-	-	-	38	33	4

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$38 million allocated for irrigation and drainage systems.

Accomplishments since the July Report:

- Completed civil design package for Kut Betera.

Accomplishments anticipated in next quarter:

- Complete construction of the Mandali Irrigation Pump Station.

- Complete engineering design for Kut Betera Pump Stations.

Major Irrigation Projects

Project Code: 66000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	22	31	-	-	-	-	53	44	1
Change from July	-	-	-	-	-	-	-	+1	+2
October 2005	22	31	-	-	-	-	53	45	3

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$53 million allocated for major irrigation projects. Only one project, Eastern Euphrates Drainage Project, is being undertaken under this project code.

Accomplishments since the July Report:

- Completed 90% design of project. Construction has been placed in abeyance due to funding constraints.

Accomplishments anticipated in next quarter:

- Complete 100% design of project.

Dam Repair, Rehabilitation and New Construction

Project Code: 67000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	39	23	-	-	-	-	62	26	8
Change from July	-	-	-	-	-	-	-	+23	+5
October 2005	39	23	-	-	-	-	62	49	13

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$62 million allocated for dam repair, rehabilitation, and new construction. Iraq's dams are critical for the proper management of water resources for purposes of irrigation, potable water and electricity generation.

Accomplishments since the July Report:

- Transferred to the Ministry of Water Resources the installation of piezometers at Adhaim Dam.
- Completed engineering review on Diyala Weir and Ramadi Barrage.

Accomplishments anticipated in next quarter:

- Begin procurement and delivery of new enhanced grouting equipment and spare parts for existing grouting equipment for Mosul Dam.

Umm Qasr/Basrah Water Supply Project**Project Code: 68000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	25	86	-	-	-	-	111	18	4
Change from July	-	-	-	-	-	-	-	+4	+5
October 2005	25	86	-	-	-	-	111	22	9

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO**Changes from the July Report:** This report maintains the \$111 million allocated for this project.**Accomplishments since the July Report:**

- Completed transfer of Basrah Sweetwater Canal Operations & Maintenance functions to The Sweetwater Canal is a critical source of raw, untreated water for the city of Basrah's Water Resources.
- Revised acquisition strategy to award construction of permanent power to Pump Station No. 2 through direct contracting.
- Delivered heavy equipment to the Ministry for operation and maintenance of the Canal.

Accomplishments anticipated in next quarter:

- Complete design of permanent power to Pump Station No. 2.
- Complete turnover of heavy equipment to Ministry of Water Resources.
- Complete training for generators and heavy equipment.
- Complete training for overall canal system operations.

SECTOR: Transportation and Telecommunications

Projects in this sector focus on improving Iraq's civil aviation sector, rehabilitating Iraq's largest port, upgrading Iraq's railway network, and supporting the development of Iraq's telecommunications infrastructure.

Civil Aviation

Project Code: 70000

IRRF projects have improved five airports in Iraq, including Baghdad International Airport (BIAP).

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	115	-1	-	-	-	-	114	73	12
Change from July	-	-	-	-	-	-	-	+6	+11
October 2005	115	-1	-	-	-	-	114	79	23

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$114 million allocated for aviation development.

Accomplishments since the July Report:

- Completed power supply to the new radar site at Baghdad International Airport (BIAP), construction cost \$95,000.
- Completed 80% of the renovation of the terminal, air traffic control tower, and fire station at Basrah International Airport (BIA).

Accomplishments anticipated in next quarter:

- Award two NAVAIDS contracts at BIA, one for Radar and Communication and the other for VHF Omnidirectional Range navigation system (VOR) and Instrument Landing System (ILS).
- Award Visual Aids (VISAIDS) contract at BIA.
- Complete terminal renovations work at BIAP and BIA.
- Complete 75% of VISAIDS project at BIAP.
- Award miscellaneous contracts at BIAP and BIA for water system, communications, power, and training.

- Award contract for flight check at BIAP and BIA airports.
- Award contract for maintenance agreement at BIA, BIAP, and Mosul Airports.
- Award contract for en route Area Control Center (ACC) which will provide national radar capabilities.
- Complete 90% of fire truck and equipment deliveries and conduct associated training for Baghdad, Basrah, and Mosul International Airports.

Umm Qasr Port Rehabilitation

Project Code: 71000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	40	5	-	-	-	-	45	39	20
Change from July	-	-	-	-	-	-	-	+3	+4
October 2005	40	5	-	-	-	-	45	42	24

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$45 million allocated for Umm Qasr Port Rehabilitation.

Accomplishments since the July Report:

- Awarded \$3.7 million security upgrades contract and began construction.
- Completed 75% of the connection of reliable power to the two Nelcon cranes at South Port and Substations number one and number 4 at the North Port. Due to contractor cost overrun, work on this cost-plus fixed fee contract has been temporarily suspended pending cost negotiations.
- Delivered Pilot Boat and fire rescue equipment to Iraqi Ports Authority (IPA) in August and September.
- Continued repairs to the Nelcon cranes at the South Port.

Accomplishments anticipated in next quarter:

- Complete 75% of the security upgrades project.
- Complete 75% of the port operations center building.
- Complete 90% of deliveries of port vehicles and conduct associated training.

- Award the Khawr Az Zubayr power substation and generators project.
- Provide power to the Nelcon cranes.
- Provide reliable power source to Port of Khawr Az Zubayr.
- Identify additional training for the 100-ton Liebherr cranes.

Railroad Rehabilitation and Restoration

Project Code: 72000

Railroads remain a critical for Iraq's long-term economic recovery. IRRF projects have focused on obtaining critical equipment, providing training in modern management and maintenance techniques, and in rehabilitating and upgrading Iraq's ability to maintain its facilities. Despite continued security threats, steady progress continues in this sector. Rail access is critical to the mining industry's recovery and ability to generate jobs.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	210	-21	-	-	-	-	189	168	58
Change from July	-	-	-	-	-	-	-	+4	+37
October 2005	210	-21	-	-	-	-	189	172	95

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$189 million allocated to renovate the Iraqi railroad by improving the working environment and track structure, and providing necessary tools, spare parts, rolling stock, and railway maintenance equipment.

Accomplishments since the July Report:

- Completed 61% of the approximately 100 railway stations planned for rehabilitation.
- Awarded contract and began construction on the Railway Maintenance Facility in Al Samawa. (~\$7.9 million)
- Continued training and capacity development operations with the Iraqi Republic Railroad (IRR), including training for the new ganger trolley cars for 15 IRR employees.
- Started installation of the Local Area Network (LAN) at the IRR Headquarters (~\$1.2 million).
- Started design of the Communications-Based Train Control (CBTC) System.
- Assisted with delivery of railway equipment including four ballast regulators, four tamping machines, one dynamic track stabilizer, and four ganger trolleys funded with IRRF resources.

- Delivered 1 MW generator at Baghdad Central Station. (~\$250,000)

Accomplishments anticipated in next quarter:

- Complete Baghdad Central Railway Station construction.
- Award contract for Railway Station and Housing at Falluja.
- Complete 90 railway station rehabilitation projects in Iraq.
- Complete 80% of Falluja Railway Station and track rehabilitation.
- Complete 85% of the three Railway Maintenance Facilities (Al Samawa, Baiji, and Kirkuk).
- Complete 60% of the LAN project at IRR Headquarters.
- Complete 20% of the CBTC project.
- Continue training and capacity development operations with the Iraqi Republic Railroad, including plans to award contract and train over 100 LAN technicians and operators and 25 CBTC operators.

Iraq Telecommunications and Postal Corporation

Project Code: 74000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	20	-	-	-	-	-	20	7	5
Change from July	-	-	-	-	-	-	-	+7	+3
October 2005	20	-	-	-	-	-	20	14	8

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$20 million allocated for modernizing the Iraqi Telephone and Post Company (ITPC)

Accomplishments since the July Report:

- Delayed award and construction of two new post offices and 12 post office renovations in accordance with the Iraqi Postmaster General and Ministry of Communications revised delivery strategy. The scope of the new post offices will be downsized to allow additional renovations of existing post offices.
- Completed procurement of 463 additional post office boxes for the new post offices.

- Started construction of the new Jadriya Post Office.

Accomplishments anticipated in next quarter:

- Award and start construction on three new post offices following identification of sites by the Iraqi Postmaster General.
- Award and start construction on 42 post office renovations.

Iraqi Telecommunications Systems

Project Code: 76000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	90	-44	-	-	-	-	46	10	6
Change from July	-	-	-	-	-	-	-	+26	+6
October 2005	90	-44	-	-	-	-	46	36	12

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$46 million allocated to initiate a long-term upgrade of Iraqi telecommunications infrastructure to increase capacity, provide reliable service, and restore international connectivity.

Accomplishments since the July Report:

- Completed system installation of the Wireless Broadband Network (WBB) at 35 government sites, including key ministries and the Central Bank. The system is now operational and provides a dedicated, high-capacity link for internal communications of the Iraqi government. Commenced Wireless Broadband (WBB) training (Ericsson Radio Training) of the engineering team from the State Company for Internet Services (SCIS), the state-owned internet service provider.
- Commenced a 6-month period of operations and maintenance, including on-the-job training of SCIS staff.
- Awarded Al Mamoon Telephone Exchange Reconstruction contract; expected completion by February 2007. This telephone exchange building will house Baghdad's main telephone domestic and international switches, and will replace the exchange destroyed during the 2003 conflict. Construction began in September.

Accomplishments anticipated in the next quarter:

- Continue of O&M for Wireless Broadband, including 24/7 help desk support for connected sites.

- Continue construction of Al Mamoon Telephone Exchange

Consolidated Fiber Network (CFN)
Project Code: 76500

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	-	70	-	-	-	-	70	70	-
Change from July	-	-	-	-	-	-	-	-	-
October 2005	-	70	-	-	-	-	70	70	-

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the July Report: This report maintains the originally allocated amount of \$70 million.

Accomplishments since the July Report

- Rescoped the entire project to concentrate on service to the Ministry of Electricity, using Iraq Telephone and Post Company (ITPC) existing fiber optic assets. The CFN will provide telecommunications for the Ministry of Electricity's remote control system (known as a System Control and Data Acquisition system, or SCADA). The new plan has eliminated dependencies on unfunded ITPC projects and obsolete requirements from the transportation sector.
- Completed site and route assessments in southern region (Basrah) where project will initiate.
- Commenced construction of new fiber route in southern Iraq region.

Accomplishments anticipated in the next quarter.

- Complete design of entire system.
- Commence unit testing.

Iraq Telecommunications Operations (National Communications and Media Commission – NCMC)

Project Code: 79000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	25	-	-	-	-	-	25	11	7
Change from July	-	-	-	-	-	-	-	+1	+3
October 2005	25	-	-	-	-	-	25	12	10

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO.

Changes from the July Report: This report maintains the \$25 million allocated to modernize the Iraq telecommunications operations system and to design a telecommunications regulatory agency.

The National Communications and Media Commission (NCMC) was created under CPA Order 65 to regulate telecommunications, media broadcasting, and information services. It is similar in function to the U.S. Federal Communications Commission. The NCMC will oversee the development of Iraq's mobile phone network tenders and award licenses in late 2005 or early 2006. The mobile phone sector has been extremely successful, growing to 3.5 million subscribers from zero before the war. Three international companies have invested more than \$600 million to develop this network, and it is expected to attract more investment in the future.

Accomplishments since the July Report:

- Continued renovation of the NCMC Headquarters facility.
- Awarded contract to equip and furnish NCMC Headquarters.
- Trained operators on the spectrum-monitoring vehicles in the UK and shipped the vehicles to Iraq.

Accomplishments anticipated in next quarter:

- Award contract and complete installation of LAN equipment for the NCMC Headquarters.
- Award contract for NCMC training (estimated at approximately \$2.4 million).
- Complete construction of the NCMC Headquarters and installation of the building LAN.

ROADS, BRIDGES, AND CONSTRUCTION

IRRF programs in this sector cover two areas, construction of schools and ministry buildings and roads and bridges.

Public Buildings Construction and Repair Project Code: 81000

This sector includes projects to replace or rehabilitate 900 schools, as well as projects to improve four ministry buildings.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	127	-	-	-	-	-	127	123	80
Change from July	-	-	-	-	-	-	-	-1	+23
October 2005	127	-	-	-	-	-	127	122	103

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July Report: This report maintains the \$127 million allocated to reconstruct and rehabilitate headquarters buildings for four ministries and to rehabilitate or replace approximately 900 public schools throughout Iraq. The schools renovation program is nearing completion with all 800 PCO managed schools to be completed in the next quarter. 100 schools are managed by USAID and are near completion.

Accomplishments since the July Report:

PCO

- Started 95 and completed 110 school renovations.

USAID

- Completed 13 additional school building rehabilitations under the CAP. Continue work on recently tendered rehabilitation contract for one additional school.

Accomplishments anticipated in next quarter:

PCO

- Complete 30 school building rehabilitations to finalize the school construction program under IRRF.

USAID

- Complete the Ministry of Industry and Minerals building and the Ministry of Environment building, and turn the buildings over to the respective ministries.
- Complete nine school projects in the next quarter and identify, tender, and contract at least 20 additional school projects.

Roads and Bridges Project Code: 82000

Before the war, in March 2003, Iraq had 1,084 kilometers of expressways, 22,800 kilometers of primary roads, 3,700 kilometers of village roads and 1,200 bridges. IRRF programs have produced a significant improvement in village roads, which now total 4,124 kilometers. Ten new bridges have also been added, while a number have been rehabilitated. Under IRRF I, the USG rebuilt three critical bridges, including one on the main road between Baghdad and Amman. This spring, the USG began a direct contracting model grant program with three road and bridge projects, which is expected to save up to 40% of total project costs by increasing the content provided by local Iraqi firms.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	173	34	-	-	-	-	207	71	25
Change from July	-	-	-	-	-	-	-	+23	+11
October 2005	173	34	-	-	-	-	207	94	36

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government: Department of Defense/PCO and USAID.

Changes from the July Report: This report maintains the \$207 million allocated to repair, replace, or construct essential segments of highway, strategic bridges, and critical secondary roads that will enable reconstruction, economic development, and public safety.

Accomplishments since the July Report:

PCO

- Solicited bids and awarded the following projects through the Grant 2 execution agreement with the Ministry of Construction and Housing (MoCH). Experienced slippage in award schedule because of MoCH delays in awarding of contracts to Iraqi firms.

Project	Governorate	Start Date	Completion Date	% Complete (Sept 30, 2005)
Baghdad-Kirkuk 2d Carriageway-Northern	Salah Ad Din & Tameem	10/17/2005	10/16/2008	0%

Segment				
Baghdad-Kirkuk 2d Carriageway-Southern Segment	Baghdad & Tameem	10/13/2005	10/12/2008	0%
Zuba Bridge (160 m)	Dhi Qar	10/28/2005	7/24/2006	0%
Nassriya Bridge (56 m)	Dhi Qar	10/7/2005	7/3/2006	0%
Nassriya Bridge Approaches	Dhi Qar	10/21/2005	1/18/2006	0%
Sheik Sa ad Bridge (456 m)	Wasit	10/20/2005	10/9/2007	0%

- Continued progress with the following projects executed through the Grant 1 execution agreement with the MoCH. Land acquisition issues have delayed the Kufa Bridge project and are expected to be resolved by next report.

Project	Governorate	Start Date	Completion Date	% Complete (Sept 30, 2005)
Al Sharquat Bridge (560 m)	Salah Al Din	6/16/2005	8/18/2007	1%
Kufa 3d Bridge (350 m)	Najaf	9/30/2005	9/19/2007	0%
Diwaniya - Al Samawa 2d Carriageway (70.3km)	Qadissiya and Muthana	5/9/2005	11/1/2007	11%

- Provided Provincial Reconstruction Development Committees (PRDCs) with list of recommended projects and continue to coordinate planning of future projects with PRDCs. Received list for eight projects valued at \$6.1 million and began acquisition process.

USAID

- Completed additional \$1.5 million worth of projects under the Community Action Program, including road paving projects in Babil, Baghdad, Basrah, Wasit, and Najaf governorates; and construction of a steel structure pedestrian bridges across main roads in the Najaf and Al Hilla city centers.

Accomplishments anticipated in next quarter:

PCO

- Complete 90% of the Village Roads Program.
- Begin construction on the two roadway and four bridge projects comprising the MoCH Grant 2 execution agreement and the Kufa Bridge project funded under the Grant 1 execution agreement.

USAID

- Complete 13 ongoing Community Action Program (CAP) projects valued at \$1.2 million to repair, level, and pave streets in local communities.

Sector: Health Care

Iraq faces a number of challenges in the health sector, many of which are consequences of neglect under Saddam Hussein. One of the most serious challenges is reducing Iraq's high infant mortality rate, which is a consequence in part of deteriorated health-care infrastructure, outbreaks of preventable diseases and low immunization coverage. IRRF assistance in this sector has focused on building and rehabilitating three types of facilities: primary health care centers; expanded healthcare centers; and hospitals. The construction and rehabilitation of these facilities will directly improve the health capability of Iraq. IRRF assistance has also improved training for medical staff and supported nationwide immunization campaigns, including against polio.

Nationwide Hospital and Clinic Improvement**Project Code: 90000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	439	-	-	-	-	-	439	359	74
Change from July	-	-	-	-	-	-	-	-4	+73
October 2005	439	-	-	-	-	-	439	355	147

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the July Report: This report maintains the \$439 million allocated to rehabilitate Maternity and Children's Hospital (MCH) and construct new Primary Healthcare Centers (PHC) in every governorate.

The first Primary Healthcare Center (PHC) completions are anticipated next quarter. It has taken longer than expected for health projects to come to fruition. Some of the contributing factors for the lengthening of the execution phase include construction delays (disputed land ownership and extensive site remediation requirements), insurgent activity and security issues for the contractors, delivery of construction supplies, complex designs for healthcare facilities, and long lead times for medical equipment manufacturing and delivery.

Primary Health Care Centers (PHCs): Low productivity from local contractors and inefficiencies caused by security concerns are pushing completion of a significant number of PHCs into 2006. This, in turn, could increase the Administrative Task Order (ATO) cost. PCO has also experienced increased costs for the purchase of back-up generators, furniture, consumable supplies, and strategic building materials. With Ministry of Health (MoH) concurrence, funds were reprogrammed to cover these costs including cancellation of the Partnership in Health Care (PIHC) contract, cancellation of two Expanded Healthcare Centers (EHC), and cancellation of eight PHCs, reducing the number to 142. However, equipment packs for the eight canceled PHCs were still purchased anticipating that construction will be accomplished with other donor funds. Two of these packs are being used to complete the construction of two clinics in Falluja using Commander's Emergency Response Program (CERP) funds.

At this time, it is expected that the design/build contractors will complete 141 PHCs pending

periodic program reviews. Joint Contracting Command Iraq/Afghanistan (JCCI/A) will put out a re-procurement solicitation for a fixed-price contract for construction of the remaining PHC. Negotiations are ongoing with the Ministry of Health to reprogram funds to cover the additional cost (\$6 million) of transformers needed for all constructed PHCs.

Expanded Healthcare Centers (EHC): During the assessment of hospitals for renovations, engineers felt it was economically preferable to construct the EHCs (formally referred to as “super clinics”) rather than extensive renovation of certain hospitals (Sulaymaniyah Pediatric, Diwaniya Qadissiya Maternity and Pediatric, Karbala Maternity and Pediatric, and Wasit Haj Jalal Maternity and Pediatric). The hospitals at these locations will have basic work done, such as roof and elevator repairs and improvements to water systems. The balance of the budgets will fund the proposed five EHCs. Three EHCs will be colocated with existing hospitals (Diwaniya Qadissiya Maternity and Pediatric, Karbala Maternity and Pediatric, and Wasit Haj Jalal Maternity and Pediatric), one will be colocated at a new medical campus in Sulaymaniyah, and one will be located in Missan, where there are no maternity or pediatric hospitals.

\$22 million was initially redirected to address health-related initiatives in Falluja, Samarra, and Najaf as part of the multi-sector \$246 million post-battle reconstruction initiative. This amount has since been reduced to \$14 million. The remaining \$8 million was used to fund part of the EHC budget.

Hospitals: Originally, the health program included the renovation of 17 Maternity and Children’s Hospitals (MCH). In December 2004, the program grew to 22 projects at 20 hospitals, including the \$15 million Najaf Teaching Hospital renovation. Sulaymaniyah Maternity Hospital was also added and, with the concurrence of the MoH, funding for these additional hospital projects was achieved by diverting funds from other hospital projects.

Accomplishments since the July Report:

- Completed the Karbala Pediatric and Ba’quba General Hospitals in September.
- Solicited one fixed price contract for a reprocured PHC.
- Continued Ministry of Health negotiations for supplemental funds for PHCs. Reached agreement for funding of generators, consumables, and medical equipment. Negotiations for funding of electric hook-ups of the PHCs including transformers are ongoing.
- Proceeded with design of EHCs. Changed acquisition strategy to traditional design-bid-build to reduce risk and cost associated with single design-build contracting.

Accomplishments anticipated next quarter:

- Complete designs for five EHCs.
- Award fixed price contracts for the construction of five EHCs, built in phases as the budget allows, as per the revised acquisition strategy.
- Turnover the first completed PHCs to the Ministry of Health
- Complete 15 hospital renovation projects out of a total 22 projects planned.

Equipment Procurement and Modernization and Training
Project Code: 92000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	297	-	-	-	-	-	297	161	49
Change from July	-	-	-	-	-	-	-	+51	+45
October 2005	297	-	-	-	-	-	297	212	94

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID.

Changes from the July Report: This report maintains the \$297 million allocated to procure new medical equipment, train medical staff, and provide technical assistance to build capacity in the Ministry of Health (MoH).

The Ministry of Health organization responsible for distribution of medical equipment and supplies has only been able to take limited receipt of equipment and supplies due to constraints with storage and distribution capacity. Consequently, considerable materials have been accumulating in the USG warehouse in Abu Ghraib. In collaboration with the MoH, a revised plan for the distribution of materials to regional warehouses in the north and south governorates was developed and materials are now being delivered. Material for the central governorates will be packaged for pick up.

Accomplishments since the July Report:

PCO

- Substantially completed the demolition of facilities on the Academy of Health Sciences project site, managed by (U.S. Army Corps of Engineers (USACE). This is the initial phase of the project.
- Verified Ministry of Health warehouse facilities as acceptable and relocated 700 hospital beds from the PCO warehouse.
- Awarded contract for the provision of approximately \$29 million of general medical equipment for the hospital renovation projects.

USAID

- Conducted two rounds of National Polio Immunization Days to maintain Iraq's polio-free status in light of outbreaks in the region. Over 20,000 volunteers vaccinated 98% of the target population (4.7 million children).
 - 450 volunteers contracted through the Iraqi Red Crescent Society carried out independent monitoring for both rounds.

- Assisted MoH to develop a training plan that includes a monitoring and evaluation system to ensure the quality of training at all levels.
- Completed competency-based training curricula for physicians and health center directors, nurses, and medical assistants on health center team building and problem solving.
- Conducted four six-day train-the-trainer workshops for 48 physicians and 41 nurses from 16 governorates.
- Conducted follow on train-the-trainer workshops to orient trainers to the enhanced curricula for physicians and nurses in preparation for training.
- Completed initial design of training program for health center directors.
- Trained 26 MoH health education managers from 18 governorates on interpersonal communication and counseling, planning for behavior change activities, and materials development.
- Oriented three MoH officials to serve as focal points for a Virtual Leadership Development Program to be initiated in Baghdad. The 12-week program trains health managers [health center directors?] and their teams to identify and address real organizational challenges while strengthening their leadership skills.
- Developed joint plan with World Health Organization (WHO) and Research Triangle Institute (RTI) for district level primary health care development.
- Drafted a National Strategy and Technical Guidelines for Infant and Young Child Feeding. Intended to be a guide for action, the strategy will be discussed with policy makers, health professionals, and stakeholders from other government and non-government sectors through a series of consultative advocacy meetings.
- Planned study tours did not take place as anticipated due to competing MoH priorities.

Accomplishments anticipated in next quarter:

PCO

- Continue to monitor the design progress of the Academy of Health Sciences project as project progresses from demolition to eventual construction phase.
- Deliver all medical equipment currently staged in PCO warehouses to facilities throughout Iraq, including northern, southern, and central retail warehouses, hospitals, and other locations.
- Award remaining \$9 million of contracts for general medical equipment to be delivered to existing hospitals, maternity centers, blood centers and tuberculosis centers under the \$109 million Open Distribution Plan in coordination with MoH.

- Provide operations and maintenance training on medical equipment as required upon delivery. Examples include x-ray, blood testing, maternity, patient monitor, and general hospital equipment.

USAID

- Facilitate MoH training of physician and nurse providers.
- Implement health center staff team building and problem solving training.
- Initiate development of in-service training modules to improve health center effectiveness.
- Implement training program for health center directors.
- Initiate implementation of primary health care strategic and systems development activities through RTI.
- Staff Ministry of Health donor coordination unit and begin drafting a strategy for donor coordination.

Basrah Pediatric Facility (Hospital)

Project Code: 91000

This project, when complete, will significantly upgrade the medical care available for children in Iraq's second largest city and all of southern Iraq. This project is being carried out in an innovative partnership between the USG and Project HOPE, which is soliciting donations for equipment and training.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	50	-	-	-	-	-	50	50	-
Change from July	-	-	-	-	-	-	-	-	-
October 2005	50	-	-	-	-	-	50	50	-

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the July Report: This report maintains the \$50 million allocated to construct a modern pediatric hospital in Basrah aimed at providing Iraqi children in the southern part of the country with access to an improved quality of health care for acute and referral care pediatric medical conditions, which may include services such as pediatric oncology.

Accomplishments since the July Report:

- Completed 95% of mechanical/engineering/architectural design work, with 95% review conducted in September. Completed 95% interior design drawings by end of September.

- Mobilized construction contractor to site.
- Initiated placement of seismic collars on foundation piles.
- Initiated excavation for mechanical and electrical building foundations.
- Developed concrete mix design and methodology to prepare for hot weather concrete pour; construction of pile foundation slab will get underway by October.
- Held coordination meeting in Basrah between Project HOPE, Ministry of Health, Bechtel and USAID. Agreed on areas of and mechanisms for continued coordination. Project HOPE is currently developing milestones for provision of equipment and training of hospital staff.

Accomplishments anticipated in next quarter:

- Complete capping of foundation piles.
- Complete first floor foundation.
- Initiate construction of first floor walls and ceiling.
- Obtain milestone plan from Project HOPE on provision of equipment and training of hospital staff.

SECTOR: Private Sector Development

The private sector will play a key role in Iraq's long-term development. The projects in this sector include support for market-based institutional reforms, which will create a framework for sustainable development. Projects also provide assistance for Iraq's WTO accession, and the development of key sectors such as support for a housing mortgage market, microfinance loans and support for small and medium enterprises, and support for employment centers. Since June, 2004, 30,000 new Iraqi businesses have been registered, and IRRF-supported microfinance programs have disbursed 14,000 loans worth \$28 million. The Iraqi Stock Exchange has listed 87 companies. Although hard to calculate, the Iraqi Government estimates that unemployment has fallen from around 60% after the war to 28%.

Expanded Network of Employment Centers

Project Code: 01000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	
2207 Report									
July 2005	8	-	-	-	-	-	8	8	7
Change from July	-	-	-	-	-	-	-	-	-7
October 2005	8	-	-	-	-	-	8	8	0

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the July Report: This report maintains the \$8 million allocated to establish Employment Service Centers (ESCs). USAID has terminated the contract underlying the project to expand the network of employment centers. This action was taken to resolve legal complications resulting from a protest against the original awarding of the contract. The remaining funds are being kept for contract close out expenses.

Accomplishments since the July Report:

- Helped 2,000 Iraqis gain short-term and long-term employment.
- Enrolled 500 Iraqis in on-the-job-training programs.
- Trained Ministry of Labor and Social Affairs (MOLSA) staff in human resource, financial, and program management skills to promote sustainability of ESCs.
- Terminated the Employment Service Centers project effective September 30.

Accomplishments anticipated in the next quarter:

- Anticipate no further activities in this project code.

Vocational Training
Project Code: 02001

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	79	15	-	-	-	-	94	89	42
Change from July	-	-	-19	-	-	-	-19	-14	+23
October 2005	79	15	-19	-	-	-	75	75	65

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the July Report: This report notifies Congress of the Administration's intent to decrease this project code by \$18,863,885, reallocating funds to address changes in the Iraqi Government's needs. \$15 million will be reallocated to Democracy Building Activities (PC 06000) to support short-term employment. \$3,863,885 will be reallocated to Electrical Generation (PC 40000) to fund the purchase of critical spare parts and equipment for the Power O&M program.

Accomplishments since the July Report:

- Rehabilitated and made sustainable four VTTCs in Baghdad.
- Contracted the Iraqi-American Chamber of Commerce to provide English language and computer/IT training.
- Enrolled 3,300 Iraqis in vocational and technical training courses, including English and computers.
- Terminated the Vocational Training project effective September 30.

Accomplishment anticipated in the next quarter:

- Anticipate no further activities in this project code.

Business Skills Training
Project Code: 02500

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	37	-	-	-	-	-	37	29	19
Change from July	-	-	-	-	-	-	-	+4	+4
October 2005	37	-	-	-	-	-	37	33	23

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of Defense and USAID.

Changes from the July Report: This report maintains the \$37 million allocated to provide training to Iraqi small and medium enterprises.

Accomplishments since the July Report:

Department of Defense

- Currently contracting the Iraq Stock Exchange Request for Proposal to automate the Stock Exchange.
- Obligated and closed the Business Center RFP in September.

USAID

- Completed more than 50 training courses in various business skills. Offered courses such as writing a business plan, marketing, procurement planning, etc. to business persons throughout Iraq; delivered courses in business centers, business associations facilities, and on-site at certain business locations.
- Distributed \$3 million in small grants to create over 1,000 direct jobs.
- Technical consultants advised businesses in beekeeping and beverage sectors.
- Delivered new business skills training in “non-permissive” areas of Nineveh, Ba’quba, Tikrit, and Baghdad.

Accomplishments anticipated in the next quarter:

USAID

- End the project supporting the business skills training activity as scheduled, in October. Anticipate no further activities in this project code.

Department of Defense

- Complete the “Best Practices” Business Center Manual, the evaluation of the Kirkuk Business Center, the comprehensive plan for the Baghdad Business Center, and surveys for both business centers.
- Obligate and close the Iraq Stock Exchange RFP. Purchase automation software and hardware. Begin installing software and connectivity.

Micro, Small, and Medium Enterprises
Project Code: 03000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	44	-	-	-	-	-	44	36	35
Change from July	-	-	-	-	-	-	-	-	-
October 2005	44	-	-	-	-	-	44	36	35

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Departments of Defense and the Treasury, and the Overseas Private Investment Corporation (OPIC), with funding transferred to OPIC through USAID.

Changes from the July Report: This report maintains the \$44 million allocated for the development of small and medium enterprises in Iraq.

Accomplishments since the July Report:

Department of Defense

- Sent the Small Business Growth Facilitation Program to contracting. This program encourages loans to Iraqi small business via private banks.
- Sent the Economic Zone Study to contracting. This is a multi-deliverable study regarding the development of economic zones in Iraq.

OPIC

Progress continues in the OPIC-supported Iraq Middle Market Development Foundation (IMMDF), a facility supporting loans to Iraqi private sector companies.

IMMDF has now submitted fourteen projects for approval. Of the projects to date, three have been disbursed, two have been withdrawn and nine are currently at OPIC for credit and policy review. Excluding the two withdrawn projects, the total requested financings total more than \$38.2 million and are expected to generate approximately 648 Iraqi jobs. Sectors represented include manufacturing of plastic injection molded products, manufacturing of air conditioners, photo related consumer goods, technology training and procurement of hardware and software, foodstuffs (including flour milling), broadband internet access, tourism, industrial and medical supply of oxygen, pharmaceuticals, bottling, and the manufacturing of gypsum.

IMMDF currently has six staff in Jordan and Iraq. Due to security issues the General Manager continues to market IMMDF from Amman as well as traveling to Iraq on a periodic basis.

IMMDF's primary focus last quarter was successfully transforming their pipeline into completed applications for OPIC's review. This quarter they continue to work with prospects and anticipate at least 6 completed applications. These prospects are primarily in the manufacturing industry, construction goods, glass and doors.

Treasury/International Financial Corporation (IFC)

- Signed an investment agreement on June 1 with the Iraq National Bank (INB) representing the first investment to be made under the Iraq Small Business Finance Facility (ISBFF). The transaction consisted of a senior loan of \$12 million to support the SME lending operations of INB. At about the same time, Export and Finance Bank of Jordan (EFB) purchased a 49% stake and assumed management control of INB and is awaiting final regulatory approvals from the government for the capital increase and the credit line agreement. Rabo International Advisory Services BV (RIAS), a fully owned subsidiary of the Rabo Bank Group, will provide technical assistance to INB under the project.

Accomplishments anticipated next quarter:

Department of Defense

- Sign up banks and insurance companies for participation in the Small Business Growth Facilitation Program. Issue first insurance policies for approved loans.
- Complete the Economic Zone Study.

Institutional Reforms

Project Code: 01500

Projects in this sector assist the Iraqi Government implement some of the most complicated, but most important, reforms, which will foster long-term economic growth, employment generation and better control of the national budget.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	-	100	-	-	-	-	100	97	2
Change from July	-	-	-20	-	-	-	-20	-19	+6
October 2005	-	100	-20	-	-	-	80	78	8

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the July Report: This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$20 million, reallocating it to Democracy Building Activities (PC 06000), providing fast, flexible assistance to meet Iraq's most critical challenges in the current transition phase and to support priorities such as short-term employment through the October referendum and December elections.

Accomplishments since the July Report:

- Activated the Financial Management Information System (FMIS) network and commenced Expense and Journal voucher data at all Phase I FMIS.
- Initiated joint project with the Department of the Treasury to obtain a clear view of the Government of Iraq vision on the future of state-owned banks. Began assessment of state-owned banks, which will lead to an overall bank restructuring strategy that is being developed in coordination with the Ministry of Finance. (See also the Banking Sector Modernization Project in the Education, Refugees, Human Rights and Governance Sector.)
- Initiated development of residential lending programs with Iraqi Housing Fund (IHF), and introduced the IHF to Iraqi private banks; began a legal study of current impediments to the development of a mortgage market.
- Developed and submitted a direct deposit program to the Ministry of Finance; the Ministries of Agriculture and Interior have agreed to use the direct deposit system. This system will help modernize the Iraqi financial system, making it more efficient, and reducing the dependence on a cash economy.
- Submitted an implementation plan for Telecommunications sector restructuring. Installation of a new billing system for the Iraqi Telecom and Post Company (ITPC) has been put on hold by the ITPC, as the Ministry does not currently consider it a priority project.
- Ordered handheld data collection units for meter population survey, developed the database application and submitted a draft policy statement regarding regulation of the Electricity Sector to the Ministry of Electricity. This project will improve the ability of the Ministry of Electricity to collect utility fees in the future. Currently, poor metering and very low tariffs make it virtually impossible for the Ministry of Electricity to moderate the growth in electricity demand, increasing pressure for expensive new generation.

Accomplishments anticipated next quarter:

- Strengthen the Iraqi Insurance Regulator Commission and implement improved procedures.
- Prepare and complete a Commercial Law and Institutional Reform diagnostic assessment to benchmark the status of the commercial law regime.
- Assist the Ministry of Electricity in the implementation of a financial management and management information IT system.
- Implement the new tax administration system, with necessary hardware and software. Develop a public information program for all major stakeholders in the Iraqi tax system to build public understanding and confidence in the new system.
- Complete assessment of the State Owned Banks and submit to USAID and Ministry of Finance.

- Complete a comprehensive diagnostic of structural and legal impediments to mortgage finance in Iraq.
- Formulate key elements of a strategic pension plan for Ministry of Labor and Social Affairs (MOLSA) with World Bank.

Agriculture

Project Code: 01600

The agricultural sector is important both as a source of food supply, but also as a significant employment generator. The development of Iraq's agricultural sector will enable it to diversify its economy away from excessive dependence on the oil sector.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	-	100	-	-	-	-	100	97	7
Change from July	-	-	-	-	-	-	-	+1	+12
October 2005	-	100	-	-	-	-	100	98	19

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID

Changes from the July Report: This report maintains the \$100 million allocated to support expanded private sector agribusiness throughout Iraq.

Accomplishments since the July Report:

- Finalized plans for hybrid maize demonstrations with 2,000 farmers.
- Conducted demonstrations on thinning and transplanting of rice farming and applying herbicides and fertilizers.
- Delivered fifty one metric ton seed treating/cleaning units in Mosul, Ainkwaa, and Sumail to cooperatives. Delivery included O&M training.
- Established tomato, cucumber, eggplant, and/or onion plots using drip-irrigation sites on up to 240 family lots; Ministry of Agriculture (MoA) staff from 18 governorates trained to install and operate the irrigation systems.
- Finalized the National Agriculture Extension Strategy.
- Completed eleven small-scale irrigation projects throughout the country.
- Ordered 15 automatic weather stations for use throughout the country; training started for MoA and Ministry of Transportation staff on installation and operation.

- Initiated data collection for the National Water Strategy Plan in close collaboration with the Ministry of Water Resources.
- Memorandum of Understanding signed with Case New Holland to repair 2700 tractors nationwide.

Accomplishments anticipated next quarter:

- Plan and implement wheat seed multiplication program with MoA on more than 1,000 hectares.
- Vaccinate two million sheep and goats against brucellosis in Muthana.
- Implement sorghum production program in ten governorates.
- Train core staff on agro-ecological zoning techniques and begin data collection and conversion into geo-spatial formats.
- Establish private sector pesticide dealer association.
- Implement program to improve buffalo production in three governorates.

Market-Based Reforms

Project Code: 03500

Projects in this sector include providing Iraq with technical assistance to complete accession talks to join the WTO, which will be a significant benchmark in Iraq's development.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	-	105	-	-	-	-	105	102	2
Change from July	-	-	-6	-	-	-	-6	-9	+6
October 2005	-	105	-6	-	-	-	99	93	8

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: USAID.

Changes from the July Report: This report notifies Congress of the Administration's intent to decrease funding in this project code by \$6,136,115. Funding will be reallocated to Electrical Generation (PC 40000), funding the purchase of critical spare parts and equipment for the Power O&M program.

Accomplishments since the July Report:

- Delivered the Memorandum of Foreign Trade Regime to the World Trade Organization (WTO) in Geneva. Drafted responses to anticipated questions that may be raised by WTO members.

- Signed memorandum of understanding between USG and the Ministry of Planning, establishing Iraqi Investment Promotion Agency (IPA). IPA building refurbishment and staffing underway.
- Trained 371 Iraqi staff and provided operational grants of over \$400,000 to support two international microfinance organizations with operations in Iraq. Issued Request for Expressions of Interest from other international organizations as part of effort to develop a sustainable and competitive microfinance program in Iraq.
- Completed 58 profiles of State Owned Enterprises (SOEs) to form a knowledge basis for SOE reform and privatization.
- Trained 760 Accountants and Auditors on International Accounting Standards, as well as 41 Accountant Trainers to support continuing professional education. Established 25 resource libraries.
- Awarded four grants to support: establishment of Baghdad headquarters for two professional associations which (a) promote capital markets reform and (b) promote insurance industry development; development of a training center to support on-going private sector reform policy training; and establishment of a Tourism Center in a southern Iraqi city to encourage small and medium enterprise development in the surrounding area.
- Trained staff at two private banks financial accounting and credit analysis.
- Trained 439 Iraqis in all areas of Micro Finance Institution (MFI) accounting, financial analysis, delinquency management, interest rate calculation, operational risk management and long-term MFI programs offered by Southern New Hampshire University and University of Colorado.
- Approved \$15 million in grants to fund five MFI projects.

Accomplishments anticipated next quarter:

- Respond to questions from WTO members. Conduct training to reintroduce Ministry of Trade officials to world trade bodies and meetings.
- Develop collaborative pilot project with the U.S. military to leverage Commander's Emergency Response Program (CERP) and USAID funds and operational strengths to develop Iraqi microfinance institutions in conjunction with a regional network of business centers. Award long-term grants to international microfinance organizations to support development of sustainable microfinance operations.
- Establish a loan guarantee facility allowing banks to pool risk in order to encourage cash-flow based lending to Iraq's small and medium enterprises. The facility will also provide a vehicle for the government of Iraq and donor support to strengthen the banking sector and encourage needed reforms. Install and train staff of at least five partner banks in adapted loan tracking software.

- Develop procedures, organizational structures, and professional standards and training programs for key capital market organizations. Complete plans for automation of the Iraq Stock Exchange.
- Complete staff selection and training for the independent Iraq Investment Promotion Agency and the Trade Information Center. On-going capacity development includes website development, creation, and population of the IraqInvest portal and completion of an Iraq Competitiveness Study and Investor Roadmap.

SECTOR: Education, Refugees, Human Rights, and Governance

Projects in this sector address a varied set of issues, including meeting the needs of refugees, reforming Iraq's banks, supporting the work of the Property Claims Commission, improving Human Rights and supporting the development of education.

Migration and Refugee Assistance

Project Code: 04000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	105	54	-	-	-	-	159	116	40
Change from July	-	-	-	-	-	-	-	+25	+14
October 2005	105	54	-	-	-	-	159	141	54

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Department of State's PRM Bureau and USAID's Office of Foreign Disaster Assistance (OFDA).

Changes from the July report: This report maintains the \$159 million allocated to support Migration and Refugee Assistance throughout Iraq.

Accomplishments since the July Report:

State (PRM)

- Approved the following funding actions this quarter:
 - Obligated \$4.8 million to International Medical Corps for reintegration assistance (specifically water, sanitation, and health) to returnees in Wasit, Thi Qar, and Maysan provinces.
 - Obligated \$2.1 million to Relief International for provision of water, education, and civil society support to returnees in Maysan and Basrah governorates.
 - Obligated \$300,000 to Shelter For Life for permanent water supply networks in Soran District.
 - Obligated \$20,000 to the American Embassy in Damascus for basic supplies to Iraqis in Syria.
 - Obligated \$700,000 to International Catholic Migration Commission (ICMC) for health, education, and non-food items to vulnerable Iraqis in Lebanon.
 - Obligated \$1,127,000 to ICMC for health, education, and non-food items to vulnerable Iraqis in Jordan.

- Continued to develop an effective national plan for durable solutions and coordinate policies and procedures with authorities in the Kurdistan Regional Government (KRG).
- Focused greater attention on the reintegration of refugee returnees and non-Iraqi refugees in Iraq. Efforts continue to relocate and integrate the Al Tash Iranian Kurds to Sulaymaniyah, north of the “Green Line” (i.e., the line between the KRG-controlled area in the north and the rest of Iraq). The KRG in Sulaymaniyah has been blocking this relocation.
- Facilitated a meeting in Irbil attended by Ministry of Displacement and Migration (MoDM), KRG, United Nations High Commissioner for Refugees (UNHCR), and PRM in late September to discuss details of PRM-funded re-location of the Al Tash Iranian Kurds to Sulaymaniyah.
- Funded travel for three Ministry employees to attend a three-week course on managing complexity at Georgetown University in July.
- Engaged the UNHCR and the International Organization for Migration (IOM) to assess the protection concerns of the Sudanese asylum seekers near Al Rutbah in Al Anbar province and provide necessary humanitarian assistance.
- Funded IOM-sponsored program on MoDM Capacity Building which conducted activities including:
 - Trained MoDM personnel on migration and international refugee processing.
 - Worked with KRG and MoDM on establishing an understanding of UN terms of contentiousness under protection for internally displaced persons (IDPs).
 - Prepared and counseled the MoDM delegation throughout its two-day presentation regarding migration management for Iraq.
 - Coordinated with MoDM in preparation for its facilitation of safe passage into Tall Afar for a rapid assessment. Provided tools to MoDM to use in the assessment (such tools were also used in Falluja and Najaf).
- IOM’s capacity building program contributed to raising MoDM’s profile within the Iraqi Transitional Government, and, as a result, MoDM was able to convince the Prime Minister’s Office to designate them as the lead agency to coordinate a humanitarian response in Telafar.

USAID

- Generated over 90,000 employee days in Kirkuk and Diyala Governorates and a minimum of 5,000 employee days in Falluja through cash for work programs. Programs included city green belts, city sanitation, road graveling, and civic improvements. Falluja employment slightly less than anticipated due to longer start-up.
- Responded to sudden displacement needs due to conflict. Distributed over 10,000 personal health and hygiene kits to Telafar IDPs and other essential relief supplies such as bedding, cooking kits, etc. to over 2,000 families.

- Supported 17 mobile health units in IDP and returnee areas of the Kirkuk, Anbar, and Ninawa Governorates.
- Provided agricultural livelihood support packages in IDP and returnee areas in Kirkuk covering approximately 4,000 beneficiaries.
- Implemented 74 water and sanitation activities in Kirkuk, Diyala, Erbil, and Ninawa, al Anbar, Maysan, and Wasit Governorates targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Repaired and rehabilitated 14 school sanitation facilities.
- Continued public health campaigns and in-service health training.

Accomplishments anticipated in next quarter:

State (PRM)

- Engage UNHCR and IOM to identify and implement durable solutions for the Sudanese asylum seekers near Al Rutbah in Al Anbar province, including repatriation to Sudan as appropriate.
- Relocate the Al Tash Kurds to Sulaymaniyah above the Green Line.
- IOM's capacity building program to further build MoDM's capacity to respond to humanitarian crises in Iraq.
- Engage MoDM, UNHCR, and the Government of Turkey to explore durable solutions for the Turkish Kurd refugees in Makhmour camp.
- Monitor and evaluate PRM-funded projects benefiting returning refugees in Erbil and Sulaymaniyah.
- Take stock of humanitarian assistance needs for refugee returnees and other vulnerable populations for possible funding recommendations.

USAID

- Generate at least 70,000 employee days in Kirkuk and Diyala Governorates through cash for work programs. Programs will include city sanitation, road graveling, and civic improvements.
- Generate at least 5,000 employee days in Falluja and surrounding communities through cash for work programs.
- Continue responding to sudden displacement needs due to conflict or natural disaster.

- Continue activities of mobile health units in returnee and IDP areas of Kirkuk, Anbar, and Ninawa Governorates.
- Continued implementation of water and sanitation activities in Kirkuk, Diyala, Erbil, and Ninawa, Maysan, and Wasit Governorates targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Continue providing agricultural livelihood support packages in IDP and returnee areas in Kirkuk.
- Implement public works and civic improvement projects, such as road graveling, green belts, and community sanitation projects.
- Continue health education and refresher training for rural based physicians.
- Provide livelihood assets to persons with disabilities.
- Begin sewer system and water supply repairs in Wasit and Maysan governorates.

Property Claims Commission

Project Code: 05500

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	10	-	-	-	-	-	10	7	5
Change from July	-	-	-	-	-	-	-	-	+2
October 2005	10	-	-	-	-	-	10	7	7

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible US Government Agency: Department of State/Population, Refugees, and Migration (PRM).

Changes from the July report: This report maintains the \$10 million allocated for support to the Iraqi Property Claims Commission (IPCC).

The total number of claims filed increased from 84,400 as of June 23 to over 126,000 as of August 18, while the total number of claims adjudicated during this period increased from over 6,500 to over 9,600. During the same period, the IPCC completed the staffing of three new regional commissions in the Kirkuk region. In July, the head of IPCC was relieved of his position on the basis of former Ba'athist affiliations, and a new head was appointed. Also in July, the Iraqi Transitional National Assembly extended the claims filing deadline to June 30, 2007.

Accomplishments since the July Report:

- Launched additional Public Information (PI) campaign activities to publicize the extension of the claims filing deadline, including IPCC PI staff training, press conferences, interviews and TV, radio, and newspaper advertising.
- Oversaw the delivery and installation of \$650,000 worth of computer hardware and peripheral systems for the IPCC's computer network, including a 40-workstation data entry center at IPCC headquarters in Baghdad and a VSAT high-speed bandwidth data transmission system at IPCC headquarters to connect with the database hosted in Geneva.
- Conducted roundtable meetings with IPCC and its international advisory partners - the International Organization for Migration (IOM) and the United Nations High Commission on Refugees- - in Amman on the entire claims process "life cycle" and on the database development program; made appropriate adjustments to upcoming training programs.

Accomplishments anticipated in the next quarter:

- Oversee enactment of revisions to the IPCC statute, clearing the way for implementing compensation guidelines proposed by IOM earlier this year. Anticipate further revisions to the IOM proposal in order to harmonize with the amended legislation.
- Conduct additional training, by IOM and IRMO, for IPCC personnel on database management and claims processing with a view to enabling IPCC to assume greater control over database development. Delayed training because of administrative disruptions as a result of the appointment of a new IPCC head and because compensation guidelines have yet to be implemented.
- Begin operations of the IPCC claims database, including elimination of the data entry backlog (approximately 60,000 claims). Operations have been delayed pending delivery of the VSAT system, a move to new headquarters offices and installation of the data entry center.
- Redesign and begin implementation of out-of-country claims program. Prior program proposals have not been implemented to date due to excessive cost structure, uncertainty as to whether claims filing deadline would be extended, and conflicts with Iraqi legal requirements.

Governance

Project Code: 06700

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	-	40	-	-	-	-	40	37	5
Change from July	-	-	-	-	-	-	-	-	+7
October 2005	-	40	-	-	-	-	40	37	12

NOTE: Obligation and Outlay Data is current as of September 28, 2005

Responsible U.S. Government Agency: USAID

Changes from the April Report: This report maintains the \$40 million allocated for Governance.

Accomplishments since the April Report:

- Supported constitutional awareness campaigns through the production and distribution of 1.3 million pamphlets and supplements on the constitution in both Arabic and Kurdish; television broadcast of Town Hall meetings with members of the Constitutional drafting committee; production and distribution of constitutional posters.

Accomplishments anticipated in the next quarter:

- All funds have been allocated. USAID expects to continue to support activities as they relate to the upcoming election and constitution drafting process.

Banking System Modernization

Project Code: 08000

IRRF funds have supported projects to provide critical support to modernize Iraq's banks, including improving their information technology systems, and training staff and managers in modern banking and supervision techniques.

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
July 2005	30	-	-	-	-	-	30	22	15
Change from July	-	-	-	-	-	-	-	+2	+4
October 2005	30	-	-	-	-	-	30	24	19

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agency: Departments of Defense and the Treasury.

Changes from the July Report: This report maintains the \$29.1 million allocation for banking system modernization (Treasury) and \$900,000 for cash payment operations (Defense).

Accomplishments since the July Report:

- Established the State Bank Restructuring/Assessment Task Force comprised of U.S. Treasury, IRMO-Financial and Fiscal Affairs, USAID, and Bearing Point.
- Reviewed financial statements of the State-owned banks for the years 2004 and 2005 including major adjustments to the financial statements.
- Began discussions with the Minister of Finance on various restructuring options of the banks.

- Completed the communications selection criteria.
- Met with representatives of Central Bank of Iraq (CBI), International Monetary Fund and the Federal Reserve Bank of New York, creating the working draft of rules and regulations to govern the electronic payments system.
- Completed train-the-trainer program for the payment system.

Accomplishments anticipated next quarter:

- Complete financial analysis of the State-owned banks.
- Present the bank restructuring recommendations for the Minister of Finance's consideration.
- Obtain the Minister's concurrence on a bank restructuring plan.
- Establish and test the payment system communications with the Montran team in Dubai.
- Establish and test the communications for the payment system among CBI and Rafidain and Rasheed Banks in Baghdad.

Human Rights

Project Code: 09500a

During this reporting period, support for the promotion and protection of human rights was expanded by assisting Iraqis in documenting atrocities committed by the previous regime, while strengthening the capacity of the Ministry of Human Rights, human rights non-governmental organizations, and new human rights institutions to protect the rights of Iraqis during democratic transition. By systematically addressing past and present human rights violations, the U.S. Government human rights programs seek to promote reconciliation among Iraq's diverse communities and to develop a culture of tolerance and rule of law.

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	15	-	-	-	-	-	15	8	2
Change from July	-	-	-	-	-	-	-	+5	+3
October 2005	15	-	-	-	-	-	15	13	5

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

Responsible U.S. Government Agencies: Department of Defense and State, and USAID's Office of Transition Initiatives (USAID/OTI).

Changes from the July Report: This report maintains the \$15 million allocated to address atrocities of Saddam regime and create a climate for the promotion of fundamental human rights and dignity in Iraq.

Accomplishments since the July Report:

USAID/OTI

- USAID/OTI continued to disburse funds that support the promotion of human rights.

State/Democracy, Human Rights and Labor (DRL)

- Supported programs documenting past atrocities by the previous regime including the collection and cataloguing of 1,200 testimonies of the Arab Marsh community for systematic atrocities committed from 1991-2003, collection and analysis of narratives of the victims of human rights violations, and development of a testimonies database to produce a series of reports chronicling past atrocities.
- Supported programs strengthening the institutional capacity of the Ministry of Human Rights, such as promoting Ministry-NGO cooperation, establishing a Human Rights Resource Center, and ten in-country education courses for ministry officials and NGO practitioners in Baghdad, Diwaniya, Hilla, Al Samawa, and Sulamaniya.
- Awarded a grant to provide support and advice to constitution drafters and spur greater democratic and human rights awareness through public fora and civil society.
- Continued human rights training to officials from the Ministries of the Interior, Defense, Education, Higher Education, and Human Rights, as well as to the Council of Judges.
- Continued support for the establishment of a torture treatment center in Kirkuk.
- Trained 20 trainers on human rights education in Amman, Jordan.
- Prepared the design and materials for a human rights web site.

Accomplishments anticipated in next quarter:

USAID/OTI

- Additional accomplishments are not anticipated as USAID/OTI has expended its funding in this category. However, under the Democracy Building Activities, Project Code 06000, USAID/OTI expects to continue similar activities that promote human rights.

State/Democracy, Human Rights and Labor (DRL)

- Continue support for human rights focused civil society organizations.
- Continue support for the collection and cataloguing of testimonies about atrocities committed by the previous regime.
- Support production of a “teacher’s handbook” on human rights education and in-country human rights education and training programs.

- Continue support for a Human Rights Resource Center in Baghdad.
- Continue support for an electronic and web-based database to chronicle human rights abuses.
- Continue support for the development of a National Strategy on options for transitional justice within the framework of Iraq's new Constitution and international law.
- Support the establishment of an independent national institution for the promotion and protection of human rights, such as an Iraqi National Human Rights Commission.

Education

Project Code: 06300

Iraq faces significant challenges in education. Many of Iraq's universities, schools, libraries and laboratories are ill-equipped, and teachers lack training in the modern educational methods required to provide the education Iraqi youth need. Literacy is particularly challenging, as Iraq has one of the lowest rates in the Arab world (65%). IRRF programs have focused on improving teacher training, creating model schools and building or rehabilitating 900 schools nationwide (reported in the construction sector). To date, IRRF I and II programs have trained more than 36,000 teachers, and provided more than 8.7 million math and science textbooks. USAID has also renovated 23 libraries and computer labs, and the State Department has resumed the Fulbright program with Iraq.

USAID's education program works closely with the Ministry of Education (MoEd) and local Directorates of Education throughout Iraq to build their capacity to create and maintain a high quality education system. USAID's program increases the quality of Iraqi education by training teachers and administrators in interactive teaching methodologies, holding national symposia on curriculum reform, conducting exchanges and workshops for MoEd staff, and establishing an Educational Management Information System within the MoEd to improve the management of the education system. The program also increases students' access to schools. The centerpiece of USAID's education program is the establishment of 84 "model" schools, four in each governorate and 16 in Baghdad, to pilot child-centered teaching styles coupled with computer and science labs. Once established, the goal is for the MoEd to replicate these "centers of excellence" throughout Iraq to serve as the basis for the transformation of the Iraqi education system.

NOTE: Obligation and Outlay Data is current as of September 28, 2005.

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
July 2005	89	10	-	-	-	-	99	87	30
Change from July	-	-	-	-	-	-	-	-	+9
October 2005	89	10	-	-	-	-	99	87	39

Responsible U.S. Government Agency: USAID and Department of Defense/PCO.

Changes from the July Report: This report maintains the \$99 million allocated for education.

Accomplishments since the July Report:

USAID

- Commenced construction and renovation of 72 of 84 model schools, to be completed in November 2005. Delayed work on the remaining 12 model schools for security reasons in the governorates of Al Anbar, Ninawah, and Kirkuk. The construction work will add classrooms to be used as laboratory space, and will not interfere with the opening of the school year. Model schoolteachers and administrators have received comprehensive training in computer use and English teachers have received training in subject specific pedagogy.
- Trained more than 13,450 teachers and other education professionals in information and computer technology, management, and new pedagogy for teaching primary school and secondary school English. Delay in the onset of the training program caused changes in management of the Ministry of Education's Teacher Training Institute.
- Renovated 34 schools in Iraq's poorest communities. 29 of these schools were originally made of mud-brick and were completely reconstructed, providing each community with a new school. Complete reconstruction of five additional mud-brick schools is in progress.
- Refurbished the water and sanitation facilities in 359 schools, bringing the total completed to 380. Work is ongoing in an additional 136 schools. By the end of the program, water and sanitation facilities will be refurbished in approximately 800 schools.
- Launched an accelerated learning program in September with approximately 11,500 registered students in Iraq's ten governorates with the lowest enrollment rates. The accelerated learning program is a non-formal education program endorsed by the MoEd, which condenses a two-year primary school curriculum into one. Under this program, children are able to complete the six-year primary school curriculum in just three years.

PCO

- Delivered \$7.4 million in computer and science lab equipment to MoEd.

Accomplishments anticipated in the next quarter:

USAID

- Complete construction of 72 of 84 model schools, and continue in the remaining 12 model schools in the governorates of Al Anbar, Ninawah, and Kirkuk. The construction work will have added classrooms for laboratory space, and should not interfere with ongoing classes. Computer laboratories will be installed in all model schools. Model schoolteachers and administrators will receive additional specialized training in pedagogy.
- Continue teacher training, with an additional 37,000 teachers and other education professionals trained in new pedagogy for teaching primary school and secondary school, thus bringing the total number trained during 2005 to over 50,000.

- Continue reconstruction of five mud-brick schools and two additional schools in Al Anbar governorate.
- Continue refurbishment of water and sanitation facilities, with an additional 120 schools completed, bringing the total completed to 500. In addition, renovation of 300 additional schools' water and sanitation facilities will be in progress.
- Enroll approximately 11,500 formerly out-of-school youth in an accelerated learning program, launched in late September. The accelerated learning program is a non-formal education program endorsed by the MoEd, which condenses a two-year primary school curriculum into one. Under this program, children are able to complete the six-year primary school curriculum in just three years.

PCO

No further activity anticipated.